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Japan

Clinton's 'Final Warning' on Sanctions Viewed

OW2706232295 Tokyo KYODO in English 2255 GMT 27 Jun 95

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, June 27 KYODO — President Bill Clinton gave a final warning against Japan on Tuesday [27 June] that he will apply sanctions if no deal is reached on the auto trade dispute by the Wednesday midnight deadline.

"The bottom line is, we want to open the markets for American products and we will take action if necessary in the form of sanctions," Clinton said in a nationally televised speech at a Pacific rim economic conference in Portland, Oregon.

U.S. Trade Representative Mickey Kantor and Japan's International Trade and Industry Minister Ryutaro Hashimoto are now meeting in Geneva in a last-ditch effort to resolve the auto dispute ahead of the deadline for Washington imposing 100 percent punitive tariffs on $5.9 billion worth of 13 Japanese luxury car models a year.

Defending his tough stance, that could also cause hardship to some Americans, notably U.S. dealers handling Japanese luxury cars, Clinton said, "we hope it will not be necessary ... and not have adverse effects in the short-run on anybody."

"But, over the long run, if we are going to build the kind of global economic system we want, everyone must change," he said.

Also addressing concerns within other nations regarding the U.S. unilateral sanctions, Clinton stressed, "I am not trying to launch a new era of protectionism."

As for Japan, Clinton said, "but we have tried now for two or three decades to open this market and this is the last major block to developing a sensible global economic policy."

Stressing that closed markets also hurt Japanese consumers, Clinton said they are paying a "terrible price" with "huge incomes, but ... can't afford housing."

"They have no inflation, no growth and they're leaning toward negative interest rates," he said.

Separately, U.S. Secretary Robert Rubin also encouraged negotiators Tuesday to slap sanctions on Japan if no deal is struck, stressing the U.S. actions are "very appropriate."

Addressing a college democrats of America conference in Washington, Rubin said it is difficult to sustain free trade around the world when once again the second-largest economy in the world offers substantially less access to other major trading nations.

"In that context ... I think that we're absolutely right that we should take the position that Japan should provide roughly comparable access," he said.

However, the state department remained cautious about the auto dispute spilling over to other ties with Japan.

Describing overall relations, led by the security area, as "vital," department spokesman Nicholas Burns told reporters, "we stand ready to build a good relationship with Japan."

He said U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Yohei Kono have been in contact "in the last couple of weeks."

Speaking to reporters after a congressional hearing, Assistant Secretary of State Winston Lord said, "whether or not we reach an agreement, we are going to protect and nurture other positive aspects of our relationship, and we think we can."

"But even if we don't, we are determined to insulate everything else from the trade friction," said Lord, who is in charge of East Asia and Pacific affairs.

Sharing this view, Assistant Secretary of Defense for International Security Affairs Joseph Nye said there were no concerns "at this point," when replying to reporters as he emerged from the same congressional hearing.

He added he considers the situation too "hypothetical" to elaborate upon, he said.

Tension 'Rising' as Auto Deadline Nears

OW2706232395 Tokyo KYODO in English 2249 GMT 27 Jun 95

[By William Mallard]

[FBIS Transcribed Text] Geneva, June 28 KYODO — Tension was rising early Wednesday [28 June] as Japan-U.S. auto talks were postponed shortly before the start of the last day before U.S. trade sanctions are to kick in.

U.S. Trade Representative Mickey Kantor and Ryutaro Hashimoto, head of Japan's Ministry of International Trade and Industry (MITI), had been scheduled to resume talks in the afternoon but they did not begin until 11:05 p.M.

For several hours, Japanese officials sat in a "silent, tense mood," waiting for the Americans to return to the Japanese mission to resume the talks, a Japanese official told KYODO NEWS SERVICE. The talks were getting deep into the thorniest issues, he said.

The ministers and their deputies switched from an early show of conviviality to dodging reporters and cameras by quickly entering their cars.

The urgency comes as a U.S. official here said President Bill Clinton, who has just publicly said he sees no new grounds for hope in the last-ditch car talks, would make a television address Wednesday on the dispute.

But the official would not indicate what he plans to say in the announcement that is anxiously awaited here. It now appears that the negotiators may not have until the presumed deadline of 11:59 p.m. Washington time, which falls at 5:59 a.m. Thursday in Geneva (12:59 p.m. Thursday Japan time).

Hashimoto, asked earlier in the day about the possibility of the talks failing, said, "I have not been optimistic from the start." Leaving his hotel, he told reporters he did not know whether a deal was getting closer.

His lieutenant Yoshihiro Sakamoto, MITI vice minister for international affairs, agreed, saying "from early on I have had absolutely no illusions." He told reporters the two sides have not changed their positions at all.

Japan and the United States are quarreling over Japanese automakers' foreign-parts purchases, a requested boost in the number of Japanese dealers handling foreign cars and deregulation of the repair-parts market.

Clinton has said that if no deal is reached Wednesday, he will slap 100 percent sanctions, retroactive to may 20, on 13 Japanese luxury car models worth 5.9 billion dollars a year.

Hashimoto repeated that Japan does not feel bound by the U.S. deadline, but negotiators from both sides showed a marked change from midday, when a beaming had Hashimoto provoked a smile from Kantor by saying they had been engaged in an "extremely friendly, heated fight."

The trade chiefs and their deputies adjourned talks in the afternoon, and through the night officials of both sides said the talks were to resume but that no schedule was set.

"We've been meeting, we're going to continue to meet and I expect it'll go on for a while," said Kantor aide Ira Shapiro.

In the repair-parts deregulation talks, "we're not anywhere near where we want to be," said David Burns, Japan specialist in Kantor's office. "There have been proposals from both sides but they didn't address the fundamental issues."

The new tension comes after the OREGONIAN newspaper published an interview with Clinton saying there were no new signs for optimism and said of the sanctions, "I hope I won't have to do it."

"I have worked and worked and worked with Japan to avoid this kind of problem," the president told the Portland daily. "But decades of American presidents have tried and failed to open this market. And it is now hurting Japan very badly."

Tokyo To Continue Best Efforts

OW2806035095 Tokyo KYODO in English 0337 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan will continue doing its utmost to strike a deal with the United States over automotive trade and avert U.S. sanctions on Japanese car exports, a government spokesman said Wednesday [28 June].

"Our stance of continuing best efforts to reach a compromise remains unchanged. We would like to do our best," Chief Cabinet Secretary Kozo Igarashi told a news conference.

While reiterating that Japan will pursue a deal in line with international trade rules, Igarashi spoke of the need to maintain healthy relations between Japan and the U.S.

International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor will resume last-ditch negotiations in Geneva on Wednesday.

If there is no agreement, U.S. President Bill Clinton will slap 100 percent tariffs on $5.9 billion of Japanese luxury car exports annually to the U.S. the same day.

MOT Firms Up Compromise Plan

OW2806135895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jun 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of Transport [MOT] on 27 June firmed up its plan for compromising with the U.S. demands on the vehicle inspection system in the Japan-U.S. auto talks. According to a government source, the main points of its compromise plan are: 1) to reduce from three to two the minimum number of maintenance technicians which private-sector vehicle inspection shops must have; and 2) to expand the "specially authorized maintenance service shop system" so that private vehicle inspection shops may be allowed to share and jointly own inspection lines. The ministry will present the plan at the Japan-U.S. auto talks in Geneva as a way of seeking a breakthrough in the negotiations.y

The MOT has only recently eased the requirement for the number of workers in private vehicle inspection shops by revising the Road Transportation Vehicle Law that will go into effect in July, and to reduce the total number of shop workers from six to five (three maintenance technicians and two shop workers). That being the case, the ministry cannot announce another deregulation measure now and, as such, has decided to effect another form of deregulation by changing the "numbers of maintenance technicians and shop workers" to two and three, respectively.

In Japan, there are 83,000 authorized maintenance service shops, and 21,000 of them are concurrently authorized private vehicle inspection shops. In order for maintenance shops to be authorized also as private vehicle inspection shops, they must have the same kind of inspection lines as government-run shops have. The system enables private vehicle inspection shops to work with another in the manner of a cooperative union and to share inspection lines among them. The MOT now wants to study whether access to the maintenance industry can be widened by expanding this system.

The U.S. Government has complained that the auto dealer- affiliated private vehicle inspection shops want to use only Japanese-made parts, thus making it impossible for foreign-made parts to enter the market. The U.S. Government has also insisted imports of foreign-made parts would increase if Japan adopted the system of "separating inspections from maintenance services" and authorized the establishment of private shops which conduct only inspections and do not provide maintenance services. However, the government intends to reject such U.S. demand.

In the negotiations which have lasted over two years, the United States has made issue of three areas — automakers' part purchase plans, auto dealers' networks, and the vehicle inspection system relating to replacement parts. But as far as the issues of part purchase plans and dealers networks are concerned, they lie beyond the framework of government control. Sanctions cannot be imposed on these grounds. The only justification the U.S. Government can cite in imposing sanctions against Japan under Section 301 (retaliation against unfair trade practices of trading countries) of U.S. trade law is the regulation concerning vehicle inspections. The MOT thinks "as long as the United States aims to resolve the whole matter with the threat of sanctions, it will keep on making additional demands centering around the vehicle inspection issues." The compromise plan worked out by the MOT is considered the last line of defense to avert the "separation of inspections and maintenance services" which would shake the foundation of the current vehicle inspection system.

Murayama: Hard To Reach Accord

OW2806124595 Tokyo KYODO in English
1213 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Prime Minister Tomiichi Murayama said Wednesday [28 June] evening it will be difficult for Japan and the United States to reach an agreement in the last-ditch talks on auto trade under way in Geneva.

International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor are holding 11th-hour talks prior to the U.S. deadline of Wednesday.

Murayama said, "The negotiators are in the very final stage. Both sides are doing their best, but it will be difficult to reach an agreement."

Asked whether Murayama had given additional instructions to Hashimoto in Geneva from Tokyo, he said, "I did not. We had a full discussion before he left Japan."

The two sides are seeking agreement on expanding foreign-parts purchases by Japanese automakers, increasing the number of dealerships in Japan handling foreign cars and deregulating the repair-parts market.

U.S. President Bill Clinton has said that if no deal is struck in Geneva by the Wednesday deadline he will slap 100 percent tariffs on 13 Japanese luxury car models, affecting 5.9 billion dollars worth of business.

Kuriyama: Sanctions May Hurt Ties

OW2806002995 Tokyo KYODO in English
2357 GMT 27 Jun 95

[FBIS Transcribed Text] Washington, June 27 KYODO — Japanese Ambassador to the United States Takakazu Kuriyama voiced concern Tuesday [27 June] that impending U.S. sanctions on Japanese automobiles could undermine overall bilateral ties.

"If the two sides fail to reach a breakthrough, unforeseen adverse effects may surface," Kuriyama told a press conference.

U.S. Trade Representative Mickey Kantor and Japan's International Trade and Industry Minister Ryutaro Hashimoto are now meeting in Geneva in a last-ditch effort to resolve the auto trade impasse.

If no accord is reached by the Wednesday midnight deadline the U.S. will impose 100 percent punitive tariffs on 13 Japanese luxury car models to affect business worth $5.9 billion.

Kuriyama said the auto trade dispute carries a much larger risk than other past trade issues of aggravating public and political emotions.

"Automobiles, which are the key industry for both nations, pose a political meaning at home," he stressed.

Official: No Punitive Tariffs Planned

OW2806110995 Tokyo KYODO in English 1044 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan will not levy retaliatory tariffs even if the United States imposes sanctions on Japanese luxury car imports in the case of failure of current auto trade negotiations, a senior Foreign Ministry official said Wednesday [28 June].

Japan will seek to settle the bilateral car trade row in accordance with due procedures of the World Trade Organization (WTO), the official said.

Denying speculation that Japan would slap punitive tariffs on agricultural and other imports from the U.S. in reaction to the U.S. sanctions, the official said the government has "never studied" such a move.

Japan would deal with the issue at the WTO, the official added.

The U.S. has threatened to levy 100 percent import tariffs on 13 Japanese luxury car models if no trade accord is reached by the deadline set for Wednesday.

'Sources': Auto Trade Accord Reached With U.S.

OW2806152595 Tokyo KYODO in English 1523 GMT 28 Jun 95

[FBIS Transcribed Text] Geneva, June 28 KYODO — Japan and the United States reached an agreement Wednesday [28 June] in their car and car parts trade at a last-ditch ministerial negotiations held in Geneva, negotiation sources said.

Takemura on Economic Situation, U.S. Sanctions

OW2806145095 Tokyo Asahi Newstar Television Network in Japanese 0920 GMT 28 Jun 95

[News conference by Finance Minister Masayoshi Takemura with unidentified reporters at the Ministry of Finance on 28 June — recorded; from the "Flash Report: News Conference" program]

[FBIS Translated Excerpt] [Reporter] [passage indistinct]

[Takemura] I think the final rice price decision will be made tomorrow morning at the Council for Deliberation of Rice Price. We suffered damages caused by the cool weather. Last year we had a bumper crop. I think discussions at the council will use the rice production cost of the past three years as a foundation. I hope they will reach a mutual agreement that is acceptable to the people without getting politics involved in the decision-making process. [passage omitted]

[Reporter] [passage indistinct]

[Takemura] Is that right? I am not prepared to answer your question either. There were various economic movements through last year into this year. Generally speaking, there was a sign of economic recovery. We thought the economy would move toward recovery this year. The first half of this year has already passed and, due to various causes, we cannot say that the economic situation is as we had hoped for. I have to admit it candidly. The government is dealing with the situation while introducing various measures. We will continue to exert serious efforts. The pump-priming announcement made yesterday was a part of our efforts. Although economic measures were announced, unforeseen things happened this year. Therefore, everything is not necessarily working as we expected. However, various policies brought about the current situation. I am of the view that the economic policies we introduced were effective in their own way.

We promoted various reforms — namely tax system reform and insurance reform — this year. After having serious discussions we introduced some major policies as well. On the whole, I have to admit that the financial structure is unhealthy, as shown by the fact that we issued more national bonds than ever before. We are assuming the position of dealing with the situation by giving top priority to economic recovery. In the near future, however, we will have no choice but to make Japan's overall financial situation healthy and promote reform.

[Reporter] [passage indistinct]

[Takemura] Is that right? Well, I have no idea that discussions are underway on the issuance of new bonds. Are you saying that it will be a new type of bond which is neither a construction bond nor a deficit-covering bond?

[Reporter] I do not know exactly.

[Takemura] I should not comment on something I do not know about.

[Reporter] [passage indistinct]

[Takemura] We are not preparing something on the precondition that the United States will impose sanctions against us. To the contrary, we are determined to have serious discussions while hoping until the last moment that the sanctions will be avoided. [passage omitted on issuance of deficit-covering bonds]

[Reporter] [passage indistinct]

[Takemura] We talked about it in April too. The government made the final decision, which can be called a numerical target in a way, saying that we would significantly reduce the current account surplus. This decision still holds. The ruling parties proposed at that time to reduce it to half. I think that from this viewpoint the ruling parties will talk about it again. It is possible that the ruling parties' view may not immediately become an opinion of the government. My understanding is that this is an opinion of the ruling parties at this stage of policy preparation. [passage omitted]

Trade Imbalance, Auto Friction Examined

OW2806061195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jun 95 Morning Edition p 7

[Article by Fumihiro Nagaoka, member of the NIHON KEIZAI SHIMBUN Editorial Board: "The Worst Post-War Auto War Between Tokyo, Washington — Tokyo Urged To Set Trade Targets To Reform Economic Structure"]

[FBIS Translated Text] The Japan-U.S. auto friction has gone beyond the stage where questions are raised about which country is right, Japan or the United States, in its assertions. Even if a compromise is reached between the two countries in their latest auto negotiations, the possibility remains strong that the auto friction will flare up again between them as long as the unreasonable situation of Japan's huge trade surplus with the United States continues. To keep the yen from sharply appreciating and to promote a structural shift in enterprises, industrial circles are speaking of the need for Japan to set both macro and micro targets for exports and imports.

Tokyo's Justification of Huge Trade Surplus No Longer Persuasive

"The Ministry of International Trade and Industry [MITI] is implementing a real trade policy for the first time since the end of World War II," jokingly said Katsunosuke Maeda, president of Toray Industries. He did not mean the Japan-U.S auto negotiations. He made that comment because MITI has begun a full survey since the end of the May Golden Week after the textile industry had demanded over the past two months that the safeguard (emergency limits on imports) be invoked against imports of cotton yarns and other textile products under the Multinational Fiber Agreement (MFA).

Unlike other industrialized nations, such as the United States and European nations, Japan has not invoked the safeguard. This time, however, Japan is going to invoke the safeguard, since China and Southeast Asia have flooded the Japanese market with their cheap goods following the sharp appreciation of the yen, dealing a devastating blow to domestic industries. In 1990, imported textile goods accounted for 25 percent of the total textile goods sold on the Japanese market, but the figure in 1994 more than doubled, rising to 52 percent. That year, imported textile goods made up more than 80 percent of the total textile goods sold on the Japanese market. Japan had continued to post an annual deficit of $10 billion in textile trade by 1993 and registered a deficit of $13 billion in 1994. The deficit is expected to surge to about $20 billion this year.

It cannot be decisively said that the textile industry is structurally stagnant. The textile industry has tried to shift from its long-standing dependence on the U.S. market for textile exports to domestic demand, while working to diversify textile products and seeking out new markets. Almost 3 million Japanese are working in the textile industry, whereas 870,000 are in the auto industry. An additional 2.5 million Japanese work in the steel and tire industries, which depend on the auto industry. The textile industry is also important in view of the number of people working for it.

I have no intention of saying that MITI embraces a double standard under which it pursues managed trade in the textile sector while advocating free trade. The invocation of the safeguard is the recognition of a natural rule that requires a balance of trade between two nations on a free trade footing.

The trade imbalance between Japan and the United States is too wide for MITI and the auto industry to argue for free trade. Japan's trade surplus with the United States in the automobile sector runs $36 billion, making up nearly 60 percent of Japan's total trade surplus with the United States. It is a colossal figure for the United States. What is more, this situation has continued for a long time. Japan posted a trade surplus of $64.4 billion in 1989, in the midst of the bubble economy — and that was just half Japan's total trade surplus. At the time, Japan's trade surplus with the United States accounted for 70 percent of Japan's total trade surplus and totalled $30 billion.

At that time, Peter Trucker [name as published] optimistically said: "Japan-U.S. auto friction will be defused because Japanese automakers are going to promote the production of cars in the United States. Otherwise, all Japanese-built cars would be shut out of the U.S. car market." Realities today are different, however.

It is true that Japanese automakers have expanded their production of cars in the United States. At the same time, until three years ago, they constructed new auto plants and bolstered their car production capabilities in Japan. Now they have equipped themselves with excessive car-manufacturing facilities capable of turning out as many as 14 million units, twice the domestic demand.

To put it simply, Japanese automakers have expanded their access to overseas markets while keeping the domestic market in their control under the banner of internationalism. The auto industry has scored a great success, which has triggered a sharp appreciation of the yen, with the yen-dollar exchange rate at 80 yen per dollar. The auto industry has kept assembly lines operating by exporting cars to the United States even when Japan was in the grip of recession. The auto industry is abruptly paying the price for dismissing the issue of Japan's trade surplus.

Some Business Leaders View Automobile as Villain

Takashi Imai, president of Nippon Steel Corporation and concurrently vice president of the Federation of Economic Organizations of Japan, called Japan's huge trade surplus as the "mistake of compound". It is right for individual enterprises to work indefatigably to compete in free trade, but their fierce competition results in huge amounts of trade surplus. President Imai explicitly said, "Japanese industries including the auto industry need to set some form of numerical targets."

Kosaku Inaba, president of the Japan Chamber of Commerce and Industry, said: "Even if Japan scores a victory in the auto dispute with the United States in the World Trade Organization (WTO), the victory would be empty. Numerical targets need to be set to curb the yen from further appreciating." An unexpectedly large number of business leaders believe that the drastic appreciation of the yen boils down to the auto issue.

Shoichiro Toyoda, president of the Federation of Economic Organizations of Japan, said, "It is necessary to work out plans to reduce Japan's trade surplus, but I am opposed to setting any numerical targets because they could lead to managed trade." In this way, the business leader supports in general cutting Japan's trade surplus, but opposes setting the numerical targets. A majority of business leaders in the automobile industry and electronic industry share President Toyoda's view.

Regulations abound in the agricultural and distribution industries. Inefficient systems, that are unable to pass benefits from the appreciated yen on to consumers, have been kept intact. This is one of the issues for Japan to resolve. Many business leaders argue that Japan should correct the imbalance with its trading partners by abolishing regulations and open its market to boost imports.

Their argument is right. It is a matter of course that the automobile industry should be the first of Japanese industries to cooperate in correcting the imbalance. While Europe is critical of a hard-line stance taken by the United States, officials in Asian nations point to the closed nature of the Japanese car market.

Hirosen Suzuki, president of Ford Japan Company, has declared, "I will testimony the closed nature of the Japanese market to the WTO." He says: "Japanese car dealers argue that we sell foreign cars in principle, but automakers are pulling strings of their affiliated auto dealers. If Japanese automakers set numerical targets for introducing foreign automakers to their affiliated car dealers, this would bring a change to the sale of foreign-built cars on the Japanese market. This is the actual situation in Japan that claims the Japanese market is open." He also sternly says: "After that, consumers have the choice of whether they buy or not foreign cars. If the car inspection and repair is separated even by external pressure, this would bring a merit of saving car inspection cost to motorists. Domestically built cars share more than 90 percent of the Japanese market and that Japan is not qualified to speak of free trade."

A former MITI official, who has been critical of the hard-line stance taken by MITI and the auto industry in the auto negotiations with the United States, says: "It is a matter of course for MITI to claim that it cannot intervene in what the private sector does, but if MITI claims that it cannot make any request to the private sector, it need not to exist. Until now, MITI has vehemently opposed trade demands from the United States, claiming that those demands could lead to managed trade. But the auto industry has suffered no loss from U.S. trade demands." Japan's numerical control of cars bound to the U.S. market has paved the way for Japanese-built luxury cars to gain new access to the U.S. market and the 1992 plans for purchase of American-made auto parts have brought the merit of cost cutting to Japanese automakers largelv owing to the drastically appreciated yen.

The latest auto friction between Japan and the United States is viewed as the worst trade friction between them since the end of World War II. Both Japan and the United States are expected to end the current auto friction after reaching a compromise on voluntary plans announced by three major Japanese automakers of Toyota Motor Corporation, Nissan Motor Company, and Honda Motor Company to boost their production of cars and increase the ratio of their auto parts local content in North America.

Auto Industry Urged To Take Advantage of External Pressure To Turn Its Management Around

The acceleration of car production in North America alone is unlikely to largely reduce Japan's huge trade surplus with the United States. It is safe to say that sharp cuts in Japan's huge trade surplus depend on whether Japanese automakers can or not boldly change their management to import cars built by them in the United States to Japan and stop exporting unprofitable cars to the United States.

Noriyuki Matsushima, a senior researcher at the Nikko Research Center, says: "Japanese automakers have production facilities that are capable of turning out 14 million units. It is estimated that if they cut the production facilities by 40 percent, this would put their business profits in balance. The cuts cause the issue of unemployment, however."

There is a role to be played by the government, which continues its policy of benign neglect. The government should take financial measures, including issuing deficit bonds, to deal with the problem of unemployment. If the government gives tax incentives to companies for disposing of surplus production facilities, it would blunt Japan's car exports.

As a message to foreign exchange markets, the government needs to set numerical targets for reducing Japan's trade surplus with the United States by half. If the government is unable to take measures to reduce Japan's exports, it should take measures instead to boost imports. It is possible for the government to change the current import promotion tax system and create a preferential tax system for foreign investment in Japan. "Japan cannot export without importing foreign goods." There is no way left for Japanese industries but to take advantage of numerical targets to promote shifts in their structures. This is for the sake of not only the rest of the world, but also Japan.

Negotiations Continue on Rice Aid to DPRK

Payment, Timing Discussed

OW2806035195 Tokyo KYODO in English 0319 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan will not provide rice as emergency aid to North Korea without charge but on a deferred payment basis, a government spokesman said Wednesday [28 June].

"We had planned to supply 150,000 tons for free, but the North Korean side wanted it on a deferred payment basis. We thus decided to continue negotiations along this line," Chief Cabinet Secretary Kozo Igarashi told a news conference.

Tokyo had decided to offer 300,000 tons of rice to Pyongyang, of which 150,000 tons would be free.

While saying the 300,000 tons is the maximum amount Japan can provide for now, Igarashi also expressed a readiness to study the possibility of making additional rice shipments to North Korea.

A North Korean official said Tuesday the two countries have reached a basic accord on Japanese rice aid to Pyongyang and said the Japanese Government will announce its contents and the supply formula Wednesday.

Japanese and North Korean officials were working out, during Wednesday morning negotiations, the terms and conditions of a contract for Tokyo's shipment of rice to Pyongyang, Igarashi said.

"We are trying to cooperate with them from a humanitarian point of view," he said, adding Japan's emergency aid will clear the way for the resumption of negotiations to normalize bilateral ties.

Asked when Japan will ship the first batch of rice, Igarashi replied that officials of both sides are currently trying to decide on the matter.

A North Korean delegation headed by Yi Chong-hyok, vice chairman of North Korea's Asia-Pacific Peace Committee, arrived in Tokyo on Friday to discuss Japan's rice aid to North Korea. The country is suffering from food shortages, which it attributes to bad weather.

29 Jun Session Previewed

OW2806124795 Tokyo KYODO in English 1208 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan and North Korea will reopen working-level talks Thursday [29 June] in a bid to finalize their accord on Japan's assistance of 300,000 tons of rice to Pyongyang, Japanese officials said Wednesday.

Officials from the Foreign Ministry and the Food Agency will resume the talks with a visiting North Korean delegation at 10 A.M. Thursday, the official said.

The two sides are expected to discuss the details of the Japanese rice assistance, such as the terms and conditions of a contract for Tokyo's shipment of rice to Pyongyang, according to government sources.

They are also to discuss the wording of a document to be signed between the two sides when a formal agreement is reached.

North Korea's chief delegate Yi Chong-hyok said Tuesday night that Japan and North Korea have reached a basic agreement on the Japanese rice aid.

After Wednesday's morning session, Yi, vice chairman of Pyongyang's Asia-Pacific Peace Committee, told reporters the two sides would sign an agreement in the evening and that he was "satisfied" with the agreement.

But Japanese officials later denied that the signing ceremony would take place Wednesday, saying "there is still a lot to be ironed out."

Earlier in the day, Chief Cabinet Secretary Kozo Igarashi said all of the 300,000 tons of rice Japan is to provide to North Korea will be extended on a deferred payment basis.

Japan had initially proposed to offer 150,000 tons for free and the remaining 150,000 tons under a long-term payment plan out of 760,000 tons of imported rice left unsold.

But the North Korean side requested all of the rice to be supplied on a deferred payment basis, saying donated rice, supposed to be supplied through the Japanese Red Cross Society, would take too long to arrive, Japanese officials said.

According to a highly placed government source, Japan will provide all of the rice on a deferred payment basis, but whether it will be extended without interest has yet to be decided.

Igarashi said 300,000 tons is the maximum amount Japan can provide for now, but expressed readiness to study the possibility of making additional rice shipments to North Korea.

"We are trying to cooperate with them from a humanitarian point of view," he said, adding that Japan's emergency aid will clear the way for the resumption of negotiations to normalize bilateral ties.

The delegation arrived in Tokyo on Friday to seek shipments of Japanese rice to alleviate North Korea's serious food shortages, which have been caused by bad weather.

The North Korean officials were scheduled to leave Japan Tuesday but postponed their departure. It is not clear when they will leave Tokyo.

Aid Granted to Developing Nations

Burma: Y4 Billion

OW1606112695 Tokyo KYODO in English
1030 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japan has extended Myanmar [Burma] a grant-in-aid of 4 billion yen [Y] as a debt relief measure, the Foreign Ministry said Friday [16 June].

Officials from Japan and Myanmar exchanged documents on the aid in Yangon [Rangoon] earlier in the day.

The grant-in-aid covers Myanmar's debt to Japan which it was supposed to pay back by 1994, the ministry said.

Nepal: Y2.6 Billion

OW2006054195 Tokyo KYODO in English
0520 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Japan has extended Nepal grants-in-aid totaling 2.6 billion yen [Y] to help it finance a project to improve power distribution and as a debt relief measure, the Foreign Ministry said Tuesday.

Japanese Ambassador to Nepal Shigenobu Yoshida and Rambinod Bhattarai [name as received], acting secretary at Nepal's Finance Ministry, exchanged documents on the aid in Kathmandu earlier in the day, the ministry said.

The aid consists of 2 billion yen for a project to expand power distribution in Kathmandu, 500 million yen in debt-relief and 50 million yen in cultural grant-in-aid to promote sports activities in the country, ministry officials said.

Central African Republic: Y1.8 Billion

OW2006104795 Tokyo KYODO in English
0945 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Japan has offered the Central African Republic a grant-in-aid of 1.8 billion yen [Y] to help it finance projects to develop underground water resources and repair roads, the Foreign Ministry said Tuesday [20 June].

Be Dogonondji, the Central African Republic's minister for finance, planning and international cooperation, exchanged notes on the aid with Japanese Ambassador Yoichi Hayashi in Bangui earlier in the day, the ministry said.

The aid consists of 1.4 billion yen for a project to repair a national road and 403 million yen for a project to develop underground water in the western part of the country, it said.

Asia-Pacific Mayors Meet in Hiroshima on Peace

OW2806035795 Tokyo KYODO in English
0204 GMT 28 Jun 95

[FBIS Transcribed Text] Hiroshima, June 28 KYODO — Mayors and officials from some 20 cities in 12 Asia-Pacific countries and about 30 cities in Japan gathered Wednesday [28 June] in Hiroshima for a three-day meeting to discuss peace issues and nuclear arms abolition.

The gathering marks the 50th anniversary of the August 1945 atomic bombings of Hiroshima and Nagasaki.

Mayor Tomaki Juda from the Marshall Islands in the Pacific, where the Bikini Atoll was a U.S. nuclear testing site between 1946 and 1958, is among the approximately 120 people attending the meeting and will report on serious local radioactivity hazards, organizers said.

The gathering will also discuss environmental issues and ways to improve the status of women, the organizers said.

The organizers asked three North Korean cities to send representatives, but none of them agreed.

Shortly before the opening of the meeting, participants visited the Hiroshima Atomic Bombing Museum and laid flowers on a cenotaph commemorating those who died.

The Asia and Pacific regional conference was organized by the World Conference of Mayors for Peace Through Inter-City Solidarity launched in 1982 following an appeal from Hiroshima and Nagasaki for an alliance to abolish nuclear weapons. A total of 404 cities in 97 countries have joined.

BOJ Governor on Economic, Financial Situations

OW2806065195 Tokyo YOMIURI SHIMBUN in Japanese 22 Jun 95 Morning Edition p 7

[FBIS Translated Text] While denying fears of immediate deflation at a 21 June news conference, Bank of Japan [BOJ] Governor Yasuo Matsushita held a cautious view on the future economic situation, saying: "There is a mixture of factors encouraging and hindering economic recovery. We want to take a balanced look at the situation without leaning toward either bullish or bearish factors." Regarding a possibility of further reduction in the official discount rate, he showed a negative stand, and said: "Based on the fact that the recent discount rate cut has had an effect on the real economy, we believe that recovery will be on a stable track."

Matsushita said: "Although commodity prices are trending rather downward, manufacturing companies' profits are likely to increase. Corporations' desire for plant and equipment investment is heightening. Deflation is unlikely." At the same time, however, he pointed out several apprehensive factors, saying: "The Japanese economy faces several structural tasks. Due to the yen's appreciation, companies have cautious outlooks for the future. The stock market's recent sluggishness reflects such an atmosphere in the industrial circle."

With regard to financing failed financial institutions based on BOJ Article 25, Matsushita said: "Financing requires satisfying strict conditions." In particular, he quoted the following three conditions: 1) Credit unrest would occur in the financial system without the BOJ funds; 2) BOJ funds are essential to relief programs; and, 3) strict investigation should be conducted on management's responsibility.

Regarding the question of using public funds for rescuing financial institutions, he said: "Basically, the financial organizations should be responsible for their own bad loans. Since using public funds would require people to bear financial burdens, we ought not to discuss this lightly." He thus hoped that diversified discussion will deepen in the future.

Economists Differ on Prospects for Deflation

OW2706235495 Tokyo KYODO in English
2312 GMT 27 Jun 95

[By Keiji Urakami]

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan's economy is feared to set into a deflationary cycle amid a recent series of pessimistic economic figures and trends.

The fear increased when the government announced that the nominal gross domestic product (GDP) rose only 0.3 percent in fiscal 1994, sinking below a real GDP gain for the year, at 0.6 percent, for the first time since fiscal 1987.

Masaru Takagi, chief economist at the Fuji Research Institute, said the economy is "stuck in deflation," not what the government terms "disinflation."

Also attesting to downward prices is a 0.3 percent fall in the GDP deflator for fiscal 1994, the sharpest drop since the end of World War II.

A deflationary trend is also seen creeping under the "price destruction" that is hitting various fronts in the consumer sector.

Unabated falls in stock and land prices have deflated the value of assets held by corporations, dampening an appetite for fresh capital spending and in turn overall consumer spending sentiment.

The cycle could repeat itself until companies are finally forced to cut production.

Bank of Japan Governor Yasuo Matsushita acknowledged a fall in prices but said it does not necessarily mean the economy is in a deflationary phase.

During deflation, earnings and sales of even financially sound companies worsen, resulting in overall sluggish demand and economic shrinkage, Matsushita said.

"That is not the case for now," he said.

Matsushita attributed recent declines in prices to an inflow of cheaper imports amid the yen's surge and to corporate restructuring efforts.

In line with price falls, the economy appears to have dipped into an era of almost zero growth.

Real GDP growth in fiscal 1994 was 0.6 percent, following a 0.2 percent slide in fiscal 1993 and a 0.3 percent gain in fiscal 1992.

The latest growth fell far short of the government's growth target of 1.7 percent.

Takagi said the economy had apparently started retreating by June, citing tumbling stock prices and slack personal consumption.

Even a senior official at the Economic Planning Agency, an agency said to be relatively optimistic in its assessments, admitted sharp price drops might have adverse effects.

The price-busting trend is slowing domestic competitiveness and causing employment insecurity, which would in turn affect private consumption, he said.

It will not be easy to attain the government-projected real GDP growth of 2.8 percent for fiscal 1995, the official said.

The brokerage industry, which is seen as a leading gauge, is more pessimistic.

Masashi Suzuki, chairman of Nomura Securities Co., said, "the stock market is screaming, thinking the current situation, if left unattended, would lead not only to a stall but to its collapse."

The long-slumping stock market has dragged down the government's attempt to shift the economy toward stable recovery. It is feared that stock price declines will shake the foundation of the nation's financial system by deflating appraisal profits by banks on their stockholdings.

Banks regard profits from stock sales as an important tool to finance write-offs of their nonperforming loans, the most serious problem facing the industry since the collapse of the "bubble" economy of the late 1980s.

But the sluggish stock market has made it difficult for banks to clear such loans, putting more fragile institutions at the risk of bankruptcy.

The Finance Ministry did its best to boost the market, using funds from public pools, such as postal insurance, under a so-called "price-keeping operation," but to no avail.

"The Japanese economy is suffering from both diabetes and malignant cancer," said Atsuo Mihara, an economic commentator. "Signs of split personality are also being observed."

Editorial Assesses Economic Stimulus Measures

OW2806064495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jun 95 Morning Edition p 2

[Editorial: "Government Urged To Take Further Stimulus Measures To Avert Deflation"]

[FBIS Translated Text] The government has mapped out a package of additional measures to spur the economy amid strong indications that Japan's economy may fall into deflation. The package of additional stimulus measures clearly indicates that the government will speedily study ways to use public funds to deal with bad loans burdening financial institutions. In that sense, the package is a step forward. Yet it is uncertain how specifically the government will implement the package of additional pump-priming measures. To ward off deflation, the government needs to take more measures to spur the economy.

A sense of gridlock is now looming in the Japanese economy, something Japan has never experienced in the post-war years. The deflation of assets and the deflation of the consumer economy have a synergistic effect. The employment situation is getting worse. Both business executives and consumers are increasingly concerned about the future of Japan's economy. In this situation, the government ought to unveil a comprehensive package of pump-priming measures based on a clear policy vision. The latest package of additional stimulus measures is only a starting point.

We would like to applaud the latest package of stimulus measures for pointing out the need to use public funds to deal with bad loans. The Finance Ministry has announced that the bad loans amount to as much as 40 trillion yen and have been a major factor in keeping Japan's economy mired in a long recession. What is more, the fall in land and stock prices has made it difficult to deal with the bad loans.

It is a matter of course that financial institutions must make their own self-help efforts to deal with bad loans. It is inevitable that public funds from the Bank of Japan and government funds will be used to deal with the bad loans, on the premise that executives of troubled financial institutions are responsible for their mismanagement and for increased disclosure. Now is the time to examine speedily and in detail how public funds should be used to deal sweepingly with companies specializing in housing loans.

In a bid to shore up the stagnant stock markets, the government has virtually frozen the taxation of dividends from treasury stocks, which is a step in the right direction. The founding of venture businesses is less free in Japan than in the United States. The government has decided to open over-the-counter markets in July this year, in an effort to help venture businesses smoothly raise funds. It is a step forward, because the government is being asked to take steps to make available funds from direct financing at a time when indirect financing is losing the ability to supply funds.

Nonetheless, the package of additional stimulus measures can never ward off the deflation that is looming over the Japanese economy. On the contrary, the announcement of the stimulus package has caused stock prices to fall.

Apart from conventional pump-priming measures under which public works projects are front-loaded, the government needs to appropriate funds for the improvement of infrastructure in the information network sector and to basic research in the second supplementary budget to be compiled in this fall. To find a way out for the Japanese economy, the government must not balk at issuing deficit bonds.

It is important to review the current land tax system, which has been in force as one measure to tackle the bubble economy. We believe that it is proper to eliminate the land tax and reduce taxes on profits from land transfers. Taxes on the trading of stocks and bonds, a major cause of the hollow financial market, must be abolished. A major problem in the latest package of stimulus measures is putting off a solution to this emergency issue in the tax system. Clinging to immediate tax revenues will only weaken the foundations of the Japanese economy and result in a fall in tax revenues.

For the Japanese economy to bail out of this maddening recession, the government needs to take bold measures, including relocating the functions of Tokyo on the basis of a long-term vision instead of taking makeshift measures. The government cannot bring real affluence to Japanese society unless it relaxes regulations, seizing the opportunity for bold reform of Japan's economic structure. Politicians will face a real test of their leadership in warding off deflation.

Illegal Credit Union Loans Concern LTCB

OW2806041495 Tokyo KYODO in English
0331 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — The Long-Term Credit Bank of Japan (LTCB) expressed concern in 1991 over shady loans extended by a now-bankrupt credit association, Anzen Credit Bank, well-placed sources said Wednesday [28 June].

The LTCB has denied allegations that Anzen and Tokyo Kyowa Credit Association, another failed credit association, were under its control.

Prosecutors Tuesday arrested Shinsuke Suzuki, 47, former Anzen president, and Harunori Takahashi, 49, former Tokyo Kyowa president, on suspicion of breach of trust in connection with 27.3 billion yen illegal loans extended from 1992 to 1994 by their credit unions to companies closely connected with them.

A group of LTCB advisers dispatched to EIE International, a company run by Takahashi, found in 1991 that nearly a-third of Anzen's total loans had been extended to Suzuki-related companies, the sources said.

An in-house document produced by the advisers said Anzen had extended 5.3 billion yen in loans to Suzuki-related companies as of September 1990 but the amount increased to 14.9 billion yen as of October 1991, worsening Anzen's business performance, they said.

The advisers expressed the view that if the fact became the public, it would be "very disadvantageous" for EIE and the LTCB, they said.

The advisers also proposed measures, urging the LTCB to lend money to one of the Suzuki-related companies to help it refund the interest on the Anzen loans and sell real estate belonging to the company, the sources said.

Both credit unions folded due to their huge volume of bad loans, and their operations were taken over by Tokyo Kyodou Bank, which was specially established in January this year for the rescue plan.

The bailout plan, however, has caused controversy because a portion of the bailout funds will come from taxpayers' money.

MITI Report: Industrial Output 'Stalled'

OW2806084895 Tokyo KYODO in English
0824 GMT 28 Jun 95

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan's economic outlook has been further clouded by a fall of 0.3 percent in industrial output for May from the previous month, the Ministry of International Trade and Industry (MITI) said Wednesday [28 June].

Production is also forecast to drop 1.4 percent in June and 1.5 percent in July, marking the first four-month string of declines since the October 1992-January 1993 period, MITI said.

The projection forced MITI to give its preliminary monthly report the more severe title "Production is Stalled."

Moreover, MITI said in a statement that Japan's production "was" in a moderate rise, using the past tense in describing the economic trend, a change from the official assessment that the economy is in a moderate recovery phase. Nevertheless, Japan's production "was" rising moderately, MITI said in a statement, indicating a slight change in the official assessment that the economy was only in "a gradual recovery phase."

Taking into account a 0.9 percent slide in April and the expected drops in June and July, April-June output at the nation's factories and mines will score zero growth, MITI said.

This would snap the string of five quarterly gains since the January-March period of 1994.

"We are seriously concerned about the economic outlook," Takahashi said.

In the statement, MITI continued to cite the need to closely monitor "possible effects of the recent fluctuations in exchange markets."

On the recent price downtrend, Takahashi said fears of deflation have increased.

In May, the industrial production index stood at 95.8 against a base of 100 for 1990, MITI said.

Shipments fell 0.9 percent to an index reading of 97.4, while inventories edged up 0.1 percent to 107.0.

The biggest contributor to the 0.3 percent output fall for May was slack performance in the transportation machine sector, MITI said.

That sector was followed by electric machines and plastics products, it said.

On an item-by-item basis, an output drop in small passenger cars accounted for the largest portion of the 0.3 percent slide.

Next came ordinary passenger cars.

"Uncertainty over the auto sector increased, reflecting slack domestic demand and smaller exports," MITI said.

Takahashi attributed the outlook to sluggish exports due to the strong yen, increased production shifts overseas, also because of the strong yen and smaller U.S.-bound shipments because of the threat of sanctions.

"These effects will likely emerge more significantly in June and July," she said.

Also dragging down the latest output statistics were general- purpose computers, which sagged in May in reaction to a surge in the preceding month.

On the inventory front, Takahashi said corporate inventories have generally stayed in "a gradual buildup phase."

But part of buildup inventories resulted from an increase in goods left unsold, she said, indicating the possibility of the inventory buildup phase being derailed.

As an example, she cited ordinary passenger cars and large-scale color television sets.

Takahashi said output in June will be slack for machines, light industries and steels.

In July, losers will be machines, chemicals and light industries, she said.

In the coming months, manufacturers are expected to become more cautious about their export plans, she said.

MITI Forecasts Steel Output for FY95

OW2606142595 Tokyo KYODO in English
0854 GMT 26 Jun 95

[FBIS Transcribed Text] Tokyo, June 26 KYODO — Japan's crude steel production in fiscal 1995 ending next March 31 is estimated at 100 million tons, the Ministry of International Trade and Industry [MITI] said Monday [26 June].

The ministry, in a demand-supply outlook, said the output for the April-September period of this year is estimated at 52 million tons.

Production for the July-September quarter is expected to rise 3 percent over the same period last year to 25.5 million tons, it said.

The ministry said production for the July-September quarter will be lower than the April-June quarter because of inventory adjustment resulting from overproduction in the preceding quarter.

Demand from the construction industry will decline 0.5 percent in the July-September period while that from the manufacturing sector will dip 1 percent, it estimated.

Steelmakers will be required to make their production plans carefully because of the strong yen and other uncertain factors such as demand for reconstruction in the quake-ravaged Kobe region, ministry officials said.

Coalition Program To Propose New Bond Type

OW2706133895 Tokyo KYODO in English 1303 GMT 27 Jun 95

[FBIS Transcribed Text] Tokyo, June 27 KYODO — The new ruling coalition policy program will propose a system for issuing a new kind of government bond to invigorate the economy and cut Japan's trade surplus to below 1 percent of gross domestic product (GDP) in five years, according to a draft outline obtained Tuesday [27 June] by KYODO NEWS SERVICE.

The draft outline also says a mammoth second supplementary budget for the current fiscal year, to be partly financed by deficit- financing bonds, should be passed in a Diet session in the autumn.

The new program of the government of Prime Minister Tomiichi Murayama will focus primarily on measures to put the economy back on track and also on reforms to the economic structure.

The program will partly overlap with and partly supplement the government's economic package announced Tuesday.

As the centerpiece of the program, it will advocate a new system for government bond issuance to allow the government to float flexibly a new form of bond, according to the draft.

Also included in the proposals is an early start to works for constructing a new capital city, calling for the selection of a candidate site within two years.

On the diplomatic front, the coalition will make a renewed call for normalization of ties with North Korea.

The three partners of the coalition — Murayama's Social Democratic Party, the Liberal Democratic Party and New Party Sakigake — will formally decide on the outline Friday after further discussions on the details.

Among other economic and fiscal steps to be proposed is active purchase of land with public funds and an early drawing-up of a program to create new businesses and employment.

For Murayama, who took office in June last year, the program will be the first set of policies that will carry his own mark, analysts said.

Murayama has so far been more preoccupied with maintaining the coalition with the conservative LDP, the previous archrival of the leftist SDP in the Cold War period, than implementing any new programs of his own.

The three parties plan to sell the program as a joint election pledge in the campaign for the House of Councillors poll in July.

Whether the program will really be put into effect, however, hinges on the outcome of the election.

If Murayama's SDP suffers a heavy defeat in the election, as expected, he is likely to step down, and there is no guarantee that the current coalition will survive such an outcome.

Meanwhile, the coalition's task force for administrative reform has compiled a set of recommendations for enhancing government crisis management and the functions of the prime minister's office.

The task force recommends early revision of the cabinet law in order to empower the premier to supervise ministries and agencies in an emergency without the approval of a cabinet meeting, according to the draft recommendations.

The proposals will be submitted to Murayama on Thursday.

The coalition's team calls for legislation to allow temporary concentration of power in the hands of the prime minister in the event of an emergency, but stresses the need for a clear definition of the emergency and a system for later Diet approval of the measures the premier has taken.

It also advocates the establishment of special advisers to the prime minister and a cabinet spokesman to allow the chief cabinet secretary to concentrate on handling the administrative affairs.

The task force has been working on the proposals in response to public criticism of the Murayama government's tardy handling of the Kobe earthquake in July and concerns about the premier's functions in dealing with terrorist acts, such as the March 20 sarin gas attack on the Tokyo subway.

LDP Panels on Need To Review War Ceremony

OW2706062495 Tokyo KYODO in English 0604 GMT 27 Jun 95

[FBIS Transcribed Text] Tokyo, June 27 KYODO — Three influential committees of the Liberal Democratic Party (LDP) agreed Tuesday [27 June] that the government needs to reconsider a ceremony planned for Aug. 15 to mark the 50th anniversary of the end of World War II.

The LDP's policy-making Executive Council later authorized the proposal adopted by the committees on the cabinet, foreign affairs and foreign affairs research, party officials said.

The LDP, the largest party in the ruling coalition, has yet to discuss the controversial ceremony plan with the other coalition partners, the Social Democratic Party [of Japan] [SDPJ] and New Party Sakigake [Harbinger].

The two smaller coalition partners, however, are reluctant to make any changes to the plan because, for one thing, budgetary appropriations have already been made for the ceremony.

Prime Minister Tomiichi Murayama, leader of the SDPJ, has expressed his wish to see the ceremony held as scheduled.

At their joint meeting Tuesday, the LDP committees said the ideology and philosophy behind the ceremony are not clear and for this reason, some people who have been invited to the ceremony, including ambassadors stationed in Japan, have decided not to take part, committee members said.

"This is a major blow diplomatically," they quoted Taro Nakayama, head of the LDP's research commission on foreign affairs, as telling the meeting.

Earlier this month, the coalition rammed through the House of Representatives a resolution designed to express repentance for Japan's wartime acts.

The ambiguous wording of the resolution, however, revealed differences of opinion among coalition members on how Japan's prewar and wartime past is to be interpreted.

Some LDP members voiced opposition to the resolution, saying it was a one-sided condemnation of Japan's wartime actions that humiliated soldiers who died in the war and their families, while some SDPJ members criticized the resolution as not going far enough to apologize to Asian nations for those actions.

North Korea

Foreign Groups Support North-U.S. Statement

SK2806103895 Pyongyang KCNA in English 1013 GMT 28 Jun 95

[FBIS Transcribed Text] Pyongyang June 28 (KCNA) — Organisations and personages of different countries published statements in support of the DPRK-U.S. joint press statement.

The Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association in a joint statement expressed the conviction that the Democratic People's Republic of Korea has implemented and will implement the DPRK-U.S. agreed framework sincerely.

The issue is related to the position of the United States and sincerity of its activities, the statement said, and went on:

The DPRK which is under the tested guidance of the great leader Comrade Kim Chong-il is the most dignified independent sovereign state and a country of singlehearted unity.

The United States should clearly see the actual situation and sincerely implement its obligation as it promised in the DPRK-U.S. joint press statement and should not bring difficulties to the implementation of the DPRK-U.S. framework agreement.

The Ghana-DPRK Friendship Association in a statement said that the U.S. should ease tension on the Korean peninsula, improve relations with the DPRK by sincerely implementing its obligation according to the DPRK-U.S. framework agreement and joint press statement and accept the DPRK's proposal for establishing a new peace mechanism.

Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire, denounced distorted reports made by the news media of the U.S. and Western countries on the joint press statement and strongly urged the U.S. not to waste time doing useless things but to concentrate its mind upon implementing the agreement with the DPRK.

Director of the Indian Centre for the U.N. Study M.M. Verma said:

The process of the DPRK-U.S. talks shows well that if we fight to the end for justice, we are sure to emerge as victors and that the days are gone when big countries put pressure on and threaten small countries.

The Yemen Peace and Solidarity Council, Chairman of the Uganda-DPRK Friendship Association David

Kibirango, Secretary of the Egypt-Korea Friendship Association Hassan Abdel Salam, Deputy Director-General of the Middle East News Agency (MENA) Anas Gadul Haq and editor of the Yemen paper AS-RAI al-Aam Muhammad Alolpi in their statements demanded that the U.S. sincerely implement its obligation as it promised in the joint press statement.

ROK Heavy Weapons Mobilization in DMZ Viewed

SK2406091295 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 22 Jun 95

[FBIS Translated Text] According to military sources, on 21 June, the South Korean puppets committed a grave military provocation by bringing armed bandits and heavy weapons into the DMZ near the central front. Around 0815 yesterday, the puppets illegally brought 90-mm recoilless guns and 12.7-mm large-caliber machine guns to the military police post at the No. 0417 mark of the Military Demarcation Line in the South side of the DMZ. Around 0840, they illegally brought some 10 military vehicles, fully loaded with armed bandits, to the same post. Around 0900 and 1400 yesterday, some 100 puppet army bandits armed with machine guns and automatic rifles swept into the No. 0596 and No. 0740 marks of the Military Demarcation Line in the South side of the DMZ.

The puppet army bandits, who crept into the DMZ openly in broad daylight, took an attack position and aimed their heavy weapons and automatic weapons at our civilian police post, seriously threatening the security of the soldiers of the People's Army. The series of military provocations committed by the South Korean puppets are the premeditated maneuvers of the Kim Yong-sam ring to gain from aggravated tensions an excuse to suppress the opposition forces in the local election.

ROK Citizens Urged To Vote Against DLP

SK2306103195 Pyongyang KCNA in English 1003 GMT 23 Jun 95

["Group of Traitors Must Be Judged " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — NODONG SINMUN today in a commentary stresses that the South Korean people from all walks of life should vote against the candidates of the cursed "Democratic Liberal Party [DLP]" and for the candidates of the democratic forces, to overthrow Kim Yong-sam.

The analyst says:

The Kim Yong-sam group are now vociferating about the forthcoming "local autonomy elections" as if they made a present. It is a very shameless act.

The enforcement of the "local autonomous bodies" requires the South Korean people to take precautions against any illusion.

It goes without saying that "elections" will not bring them democracy.

In the "elections", the rival of the South Korean democratic forces is the Kim Yong-sam group who have committed indelible heinous crimes against the country and the nation while in power. Therefore, the South Korean people must turn the "elections" into a court of justice against the crimes of the traitor Kim Yong-sam for their genuine life and for the democratic development of society.

South Koreans Praise Kim Chong-il's Politics

SK2806102695 Pyongyang KCNA in English 1006 GMT 28 Jun 95

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — South Korean people are speaking highly of the great leader Comrade Kim Chong-il's benevolent politics, according to Seoul-based radio Voice of National Salvation.

Choe Sang-chin, a university professor in Mapo District, Seoul, had a meeting with members of the society for loving the Korean nation in mid-May.

Asked why "the South Korean society has been turned into a graveyard of ethics and morality," he said, "it is an inevitable thing in the society where evil power holds sway and the tendency of regarding material almighty constitutes the foundation of social relations."

He further said:

"While deeply studying the political situation of the North for years, I have learned that the North where the great leader Kim Chong-il manages the state affairs is really a society replete with virtues.

"Recorded in the book 'A Great Harmonious Family United in One Mind' published by the Tong Pang Publishing House are virtues of the people in the North including those unhesitatingly donating their blood and flesh to patients in critical condition, youths devoting themselves to saving their colleagues in a crucial moment and girls getting married with disabled soldiers.

"Beautiful deeds unimaginable on this land are usual things in the whole society of the North.

"It is President Kim Il-song who built this wonderful society full of virtues and it is the great leader Kim

Chong-il, incarnation of human love, who is ever developing the society.

"The great leader Kim Chong-il, who regards virtues more valuable than anything else, has turned the society of the North into a great harmonious family united on the basis of one thought and purpose, morality and obligation with benevolent politics of love and trust.

"He is, indeed, an elder statesman who has brought virtues into full play in the North by pursuing benevolent politics."

A disabled soldier Yi Kil-mo in Asan County, South Chungchong Province, said:

"If I had been born in the North, I would have escaped from such an unhappy fate.

"The great leader Kim Chong-il's is benevolent politics which loves, trusts and takes care of all the people. It is under his benevolent politics that the society of the North has become a great harmonious family which has achieved a singlehearted unity unimaginable in other society."

ROK Daily Urges Abolition of Japan 'Treaty'

SK2406044495 Pyongyang KCNA in English 0438 GMT 24 Jun 95

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The recently formed "National Council for Correct Understanding of History" involving some 90 civic organizations, scholars, religionists and politicians in South Korea called for the abolition of the "basic treaty" signed between South Korea and Japan, the South Korean newspaper HANGUK ILBO said.

It said the "treaty" concluded 30 years ago is "unequal and unreasonable."

It also declared the "treaty" and all other colonial "treaties" forced on Korea by the Japanese imperialists in the past null and void.

Meanwhile, some twenty opposition "law-makers" agreed to the council's demand and decided to bring the issue of reexamining the "basic treaty" to the "National Assembly."

The long-standing call for the nullification of the "treaty" is ever growing and voices calling for tearing it up are ringing out loudly from various social strata.

Russian Association Supports Koreans' Struggle

SK2706215695 Pyongyang KCNA in English 1507 GMT 27 Jun 95

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — The Russian Association for Friendship and Cultural Cooperation with the Democratic People's Republic of Korea called on political parties, social organizations and organizations for friendship and solidarity with the Korean people in all countries to intensify support and solidarity for the Korean people's just struggle to put an end to the division of the country and reunify the country by means of the establishment of the Democratic Confederal Republic of Koryo.

The appeal dated June 21 said the principles and way of reunifying Korea as a highly developed peaceloving state are the three principles — independence, peaceful reunification and great national unity — and the proposal for reunifying the country through confederacy based on one nation, one state, two systems and two governments which were advanced by President Kim Il-song.

It called on all the true friends of Korea to launch a movement to get the U.S. Forces withdrawn from South Korea according to a decision of the 30th UN General Assembly, fully support the constructive proposal of the DPRK for the replacement of the old Armistice Agreement between the DPRK and the United States with a peace agreement and the establishment of a new peace mechanism and conduct an international campaign for urging the United States to accept the proposal.

It also called for a solidarity movement in different forms and ways for the realization of the proposal put forward by political parties and organizations of the DPRK to greet the 50th anniversary of the August 15 national liberation with a grand festival participated in by Koreans in the North, the South and overseas and to convene a grand national conference for deciding on the way of national reunification during the festival.

Khabarovsk, Russian Ministry Delegations Arrive

SK2306232695 Pyongyang KCNA in English 2227 GMT 23 Jun 95

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — A delegation of the Khabarovsk Territorial Committee of the All-Union Communist Party of Bolsheviks led by its First Secretary N.A. Kabakov and a delegation of the Ministry of Communications of the Russian Federation arrived here today by train.

Visit Statue of Kim Il-song

SK2406042795 Pyongyang KCNA in English 0422 GMT 24 Jun 95

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — A delegation of the Khabarovsk Territorial Committee of the All-Union Communist Party of Bolsheviks led by its first secretary N.A. Kabakov and a delegation of the Ministry of Communications of the Russian Federation on Friday [23 June] laid bouquets and made bows before the statue of the great leader President Kim Il-song on Mansu Hill.

On June 22, Olaf Svorstol [spelling of name as received], vice-director of the Sociology Institute of Oslo University of Norway, and his party laid bouquets and made bows before the statue of President Kim Il-song.

Home-visiting groups of Korean students in Japan laid a floral basket and made bows before his statue on the same day.

WPK Delegation Leaves for China 22 Jun

SK2206221695 Pyongyang KCNA in English 1523 GMT 22 Jun 95

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — A friendly visiting group of the Workers' Party of Korea [WPK] led by Vice-director of a department of the WPK Central Committee Chi Chae-yong left here today for China.

Member of the Political Bureau of the Central Committee of the Communist Party of India (Marxist) Sitaram Yechury [name as received] arrived here today.

Home-visiting groups of Korean students in Japan and the 238th short-term home-visiting group of Koreans in Japan arrived in Wonsan today by the ship "Mangyongbong-92.

Korean Students From Japan Meet With Yi In-mo

SK2406043095 Pyongyang KCNA in English 0425 GMT 24 Jun 95

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The members of the home-visiting group of students of Korean University under the General Association of Korean Residents in Japan [Chongnyon] led by O Hyang-suk on a visit to the socialist homeland met with Yi In-mo, a former war correspondent of the Korean People's Army, in Pyongyang on June 22.

Yi In-mo told the visitors that the most valuable and worthy life of man is to live and fight under a great leader. He added that he could stoutly stand the enemy's torture and persecution and return to the motherland because he fought with a firm belief in General Kim Il-song, the sun of the nation.

He urged the students and other young Koreans in Japan to remain loyal and devoted to respected General Kim Chong-il, cherishing the national pride and honour of having him as their great leader.

The visitors told Yi In-mo that they would follow his example of intense loyalty to the leader and his indomitable revolutionary spirit and grow to be true sons and daughters of chuche Korea unfailingly loyal to general Kim Chong-il, who represents the destiny and future of the motherland and the nation.

Japan's Kanji Inoki, Delegates Leave Pyongyang

SK2406081695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 20 Jun 95

[FBIS Translated Text] Kanji Inoki, member of the House of Councillors of Japan and president of the New Japan Pro-Wrestling Co. Ltd., and his party returned home by plane on 20 June. Functionaries of the Korean Asia-Pacific Peace Committee saw the party off at the airport.

WPK Sends Greetings to WPI General Secretary

SK2306120795 Pyongyang KCNA in English 1039 GMT 23 Jun 95

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] Thursday sent a message of greetings to Pat Quearney [name as received] upon his reelection as general secretary of The Workers' Party of Ireland [WPI].

The message expressed the belief that the friendly and cooperative relations between the two parties will continue to develop on good terms in accordance with the idea of independence, peace and friendship and wished him greater success in his work to implement the decisions of the WPI annual meeting.

Sudan's Revolution Anniversary Marked 22 Jun

SK2306110195 Pyongyang KCNA in English 1021 GMT 23 Jun 95

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — A lecture was given in Pyongyang on June 22 under the sponsorship of the Korea-Sudan Friendship Association to mark the sixth anniversary of the revolution in the Sudan.

Present on the occasion were Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations with Foreign Countries and vice-chairperson of the Korea-Sudan Friendship Association, and working people in the city.

Following the lecture, a congratulatory message to the Sudanese president was adopted.

Kim Chong-il Sent Message From Cuba's Castro

SK2406043395 Pyongyang KCNA in English
0430 GMT 24 Jun 95

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The great leader Comrade Kim Chong-il received a message on June 21 from Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the first anniversary of the death of the great leader President Kim Il-song.

Fidel Castro Ruz in his message expressed deep respect and reverence for unforgettable Comrade President Kim Il-song on the first anniversary of his death.

The Cuban people who are well aware of the heroic struggle waged by the Korean people over the recent 50 years highly estimate Comrade Kim Il-song who played a distinguished role in the struggle first against the Japanese imperialists and then the U.S. imperialist aggressors, with his wise intelligence and firm principle, he said, and went on:

I will never forget that Comrade Kim Il-song highly appreciated the revolution and people of Cuba and extended full support to the Cuban people in their struggle for independence and the right to self-determination.

I am convinced that the Korean people will bring the cause started by Comrade Kim Il-song into practice and achieve the targets for the building of a new society under the leadership of Comrade Kim Chong-il.

I reaffirm my determination to make continuous efforts to strengthen the traditional bonds of friendship and cooperation forged between the parties, governments and peoples of the two countries.

Kim Chong-il Letter to Chongnyon Studied Abroad

SK2806104495 Pyongyang KCNA in English
1031 GMT 28 Jun 95

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — "On developing the movement of Koreans in Japan onto a new higher stage," a letter of the great leader Comrade Kim Chong-il to the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan on the 40th founding anniversary of Chongnyon, has been studied and disseminated widely in different countries.

In a month after the letter was published, its full text or gist was reported by some 60 media organs of more than 30 countries including the paper GRANMA and Radios Progreso, Reloj and Cadena Habana of Cuba, the Japanese papers SANKEI SHIMBUN and NIHON KEIZAI SHIMBUN, the paper SAMACHAR POST and the PTI News Agency of India, the Pakistani paper NIDAE WAQT, the Egyptian paper AL SHABABUL ARABI, the Tanzanian paper UHURU and radios and televisions of Togo, Bulgaria, Russia, Uganda, Equatorial Guinea, Zimbabwe, Mali, Guyana and Peru.

Activities for the study of the letter such as seminar and lecture were conducted in Mongolia, India, Egypt, Nigeria, Togo, Madagascar, Ethiopia, Denmark, Guyana, Peru and other countries and progressive figures of different countries and Koreans overseas published statements and articles as regards the letter.

In the letter Comrade Kim Chong-il said the Chongnyon officials and Koreans in Japan must carry on all the work of Chongnyon as intended and wished by the great leader Comrade Kim Il-song and strengthen and develop Chongnyon as his organization of overseas Koreans, always holding him in high esteem.

Kim Chong-il's Remarks on 'Glasnost' Quoted

SK2806045095 Pyongyang KCNA in English
0432 GMT 28 Jun 95

["Anti-Revolutionary Nature of 'Glasnost' Laid Bare" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — The great leader Comrade Kim Chong-il in his famous work "Giving Priority to Ideological Work Is Essential for the Accomplishment of the Socialist Cause" clarified the reactionary nature of "glasnost" introduced by the renegades of socialism to undermine socialism from within, says NODONG SINMUN today.

The paper quotes Comrade Kim Chong-il as saying:

"Asserting "glasnost" and "pluralism" in socialist society is, in the long run, a counterrevolutionary scheme for undermining the socialist society by obliterating the socialist ideology and introducing bourgeois reactionary ideas."

Noting that "glasnost" frantically sought by renegade socialists was a counterrevolutionary scheme which undermined the socialist system from within, the author of the article of the paper says:

"Glasnost" brought forward by renegade socialists sought only a counterrevolutionary purpose to create an ideological confusion among people and introduce reactionary, bourgeois ideas and culture.

First of all, "glasnost" created ideological confusion among people, fostered their distrust in the working-class party and state and played havoc with their faith in socialism.

The renegade socialists abandoned the work of arming the people with the socialist ideology and began to bombastically publish mistakes and errors which were found in the building of socialism, under the pretext of ensuring "glasnost". This created ideological confusion among the people, made them approach their history in a nihilistic way and doubt the validity of the socialist cause.

"Glasnost" opened a broad road for open activities of reactionary elements who were trying to destroy the socialist system, maliciously slandering socialism.

In the wind of "glasnost", bourgeois ideas antagonistic to the socialist ideology were openly propagandized without any restriction.

The reactionary elements abused "glasnost" to slander and attack the Communist Party of the Soviet Union and the socialist system. The socalled "roundtable forum", an offspring of "glasnost", is a de facto meeting of reactionary elements to attack the Communist Party of the Soviet Union and the Soviet state.

The author of the article stresses:

The people of those countries in which socialism suffered setbacks are taking the road of rebuilding socialism, aware of the counterrevolutionary nature of "glasnost" clamoured about by renegade socialists through their experiences in life.

Kim Chong-il Said Making Contributions to Cause

*SK2306233795 Pyongyang KCNA in English
2211 GMT 23 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — Comrade Kim Chong-il is making great contributions to the accomplishment of the socialist cause, stressed D.B. Golovko, chairman of the Ukraine-Democratic People's Republic of Korea Association, in an interview with the KCNA here on June 21.

Comrade Kim Chong-il is a great man who is wisely leading socialism of Korea, he said, and stressed: History shows well his humble personality.

We can see the boundless humbleness of the great Comrade Kim Chong-il through postponement of the election of head of state in Korea up to now nearly one year after the death of Comrade Kim Il-song, a veteran statesman of the world, he said, and continued:

We were moved to hear the decision of the party and the state of Korea on preserving the great leader Comrade Kim Il-song in the form of eternal life. The decision reflects the will and desire of the Korean people as well as progressive humanity. Such decision can be made only in a country which is led by a successor most loyal to the leader.

Comrade Kim Chong-il is successfully leading state affairs as a whole. The Korean people are holding the great Comrade Kim Chong-il in esteem as the excellent heir to Comrade Kim Il-song's cause.

Comrade Kim Chong-il is making great contributions to accomplishing the socialist cause. His work "Giving Priority to Ideological Work Is Essential for the Accomplishment of the Socialist Cause" is of great theoretical and practical significance in accomplishing the socialist cause.

The Ukraine-DPRK association will widely propagandize the ideas and theories of the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il.

Activities Mark Anniversary of Kim Il-song Death

National Fine Arts Show Opens

*SK2806043895 Pyongyang KCNA in English
0425 GMT 28 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — A national fine art show "The Great Leader Comrade Kim Il-song Will Always Be With Us" opened here on the occasion of the first anniversary of the death of the respected leader President Kim Il-song.

On display there are more than 50 pieces of works including those on the greatness of President Kim Il-song and his revolutionary feats and those on the unshakable faith and firm will of the Korean people to struggle for the accomplishment of the chuche revolutionary cause under the leadership of the great leader Comrade Kim Chong-il.

Among them are works depicting President Kim Il-song with a smile on his face such as the Korean painting "The Sun of All People," "The Father of the Nation," "The Leader Will Always Be With Us" and works on his stamina and grit in leading the arduous anti-Japanese revolutionary struggle and the fatherland liberation war to victory and works on his tireless efforts for socialist construction and national reunification and for the world revolution.

On show there are the Korean painting "The Great Leader and the Dear Leader on the Lake Chon of Mt. Paektu," the oil painting "We Will Trust and Follow Only the Great General Kim Chong-il" and other works portraying Comrade Kim Chong-il.

Its opening ceremony took place on June 27.

The participants observed a moment's silence in memory of President Kim Il-song.

It was attended by secretary of the Central Committee of the Workers' Party of Korea Kim Ki-nam, Vice-premier of the Administration Council and Minister of Culture and Art Chang Chol and others.

Peruvian Honorary Citizenship

SK2806042695 Pyongyang KCNA in English 0413 GMT 28 Jun 95

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — A title of honorary citizenship of Pampas city of Tayacaja Department in Peru was awarded to the great leader President Kim Il-song on June 20. A decision of the council of the city to award the title of honorary citizenship and to register him as an honorary citizen was read out at the meeting which was held in the city hall to award the title of honorary citizenship on the occasion of the first anniversary of the death of President Kim Il-song.

The decision noted that the great leader Comrade Kim Il-song was the author of the chuche idea, generalissimo of the Democratic People's Republic of Korea and founder and constructor of the great republic.

Though President Kim Il-song passed away, the feats performed by him in wisely leading the DPRK to bring about social changes and set an example for the revolutionary struggle of the third world people will be everlasting, the decision noted, adding that it was decided to award the title of honorary citizenship to him to cherish his memory forever.

Departmental Governor and Mayor Edwin Monge Sumaeta said that he deemed it an honour to award the title of honorary citizenship to President Kim Il-song on the occasion of the 170th anniversary of the foundation of Tayacaja Department.

He expressed the belief that the heroic Korean people will certainly accomplish the cause pioneered by President Kim Il-song under the wise leadership of the great leader Comrade Kim Chong-il.

Guyana National Committee Formed

SK2306102495 Pyongyang KCNA in English 1008 GMT 23 Jun 95

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — A Guyanese national committee for the commemoration of the first anniversary of the death of President Kim Il-song, the great leader of the Korean people, was inaugurated in Georgetown on June 15.

Mayor of Georgetown Hamilton Green and Robert Williams, chairman of the Guyanese National Committee for the Study of the Chuche Idea of Comrade Kim Il-song, were respectively elected honorary chairman and chairman of the national committee.

The inaugural meeting discussed the matters of defining July 1-20 every year as a period to commemorate President Kim Il-song and holding commemorative meeting, seminar, lecture, reading session, film show, photo exhibition and other events and solidarity functions for support to the Korean people's struggle, and published an action programme.

The meeting adopted an appeal to the chuche idea study groups, organizations for friendship and solidarity with the Korean people, progressive political parties and peace-loving people in different countries.

The chuche idea followers, organizations for friendship and solidarity with the Korean people, progressive political parties and peace-loving people in different countries will define July 1-20 as a commemorative period every year, hold commemorative events in the name of organizations or individuals and conduct folklore, religious and other activities, looking back on the immortal exploits of President Kim Il-song, the great leader of the age of independence, said the appeal.

Zairian Preparatory Group Formed

SK2306103395 Pyongyang KCNA in English 1011 GMT 23 Jun 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — A Zairian preparatory committee for the commemoration of the first anniversary of the death of his excellency the great President Kim Il-song was inaugurated in Zaire.

The inaugural meeting was held in the parliamentary building of Zaire on June 17.

At the meeting, Ngoy Nduba, secretary general of the Lumumba Democratic Party of Zaire, was elected chairman of the preparatory committee. Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire; Pierre Welo Ahondju-ewale, chairman of the Zaire-Korea Friendship Association; and Lokadi Longandjo, chairman of the Zairian National Committee for the Study of the Chuche Idea; were elected members of the preparatory committee.

The preparatory committee held the first session on that same day and decided to organize a grand memorial service on the first anniversary of the death of his excellency respected President Kim Il-song, a great thinker and theoretician.

Kim Il-song Called Founder of Socialist Korea

SK2806104095 Pyongyang KCNA in English 1026 GMT 28 Jun 95

["Comrade Kim Il-song, Founder of Socialist Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — NODONG SINMUN today comes out with a signed article titled "The Great Leader Comrade Kim Il-song is the Founder of Socialist Korea".

The article quotes the great leader Comrade Kim Chong-il as saying:

"Tangun is the ancestral father of the Korean nation, while the great leader Comrade Kim Il-song is the founder of socialist Korea".

The author of the article says:

Comrade Kim Il-song is the founder of socialist Korea because he is the father of the socialist Korean nation who built an invincible socialist country which is opening up a new era of socialism and who brought about a new birth of the Korean nation.

He is the pioneer of the cause of socialism centred on the popular masses who opened up a new era of socialism in Korea.

He is the first in history to found the chuche idea, the guiding idea of the era of independence, and paved a new road to socialism in Korea under the banner of the idea.

His august name will shine forever as that of the founder of socialism which will be everlasting together with the socialist cause, the popular masses' cause of independence, because he indicated a true road of socialism for the first time in human history and accumulated all ideological and theoretical wealth to make a victorious advance along the road.

He is the founder of socialist Korea and genius of creation and construction, who built up a socialist country of chuche and set an example of socialism for the world.

He built the most advantageous and powerful socialist country centred on the popular masses on this land by victoriously leading the cause of building a socialist country for a long period.

The new history of the birth and development of glorious socialist Korea of chuche is precisely the revolutionary history of respected Comrade Kim Il-song, the sun of the nation and the great leader of the Korean revolution, and socialist Korea is precisely Kim Il-song's Korea which was built and developed by him as a worldwide model.

It was the great leader who founded our party, a political organisation of chuche type, and government which take responsibility for and look after the destiny of the people. He was also a great brilliant commander who founded and developed genuine revolutionary Armed Forces which defend the freedom and happiness of the people into an invincible one. He was the tender-hearted father who built a generous system all members of which enjoy a happy life as the true masters of society without any worries and provided them with the most valuable and worthwhile life.

Comrade Kim Il-song is the sun of socialist Korea for good and all, who provided a sure guarantee for the accomplishment of the socialist cause.

Most important in completing the socialist cause generation after generation is to take over the position and role of the leader who was the first to blaze the trail of the cause.

Comrade Kim Il-song laid all the foundations so that the Workers' Party of Korea and the Korean people under the leadership of respected Comrade Kim Chong-il are able to carry the chuche revolutionary cause to completion.

Indeed, Comrade Kim Il-song is the most outstanding leader of the revolution, great father of the nation and brilliant sun of chuche, who did all in his power for the country and nation, the motherland and revolution, the human cause of independence and the socialist cause.

That is why the Korean people regard Comrade Kim Il-song as an outstanding leader of the revolution, infinitely honor and respect him as a benefactor of their lives and as their father and are determined to hold him in high esteem as the eternal sun for all ages.

A nation is characterized by the same blood and language. The Korean nation has become a people with new looks, who has one ideological blood provided by Comrade Kim Il-song, added to such traditional commonness, who has revolutionary faith and conscience and morality as the qualities of the nation, coupled with the traditional beautiful manners and customs of the nation, and who has achieved the great unity of the whole nation thanks to the benevolent politics and all-embracing politics of the leader. All these represent the special commonness and true looks of the socialist Korean nation brought up by the leader.

Ours is Kim Il-song's nation that has originated from the embrace of the leader. Ours is socialist Korea of chuche that can be named only after the august name of the leader.

The Korean nation has a history of thousands of years.It will continue to exist in future. However, Comrade Kim Il-song will be praised as the leader most distinguished ever in history of the nation and the father of socialist Korea forever, and the Korean people that have been resurrected by the leader will hold him in high esteem as their father down through generations to come, discharging their filial duty.

Officials on Accomplishing Chuche Socialist Cause

SK2306231695 Pyongyang KCNA in English
2225 GMT 23 Jun 95

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — Working people of all walks of life, upon receiving "Giving Priority to Ideological Work Is Essential for the Accomplishment of the Socialist Cause," a work of the great leader Comrade Kim Chong-il, are vowing to staunchly defend and further glorify the chuche socialist cause.

Hwang Sun-hui, an anti-Japanese revolutionary fighter and curator of the Korean Revolution Museum, said:

"I will deeply study and acquire the profound idea and theory contained in the work and conduct a more vigorous work to further strengthen the education in revolutionary traditions and thus actively contribute to defending and accomplishing the chuche socialist cause which was started by the great leader Comrade Kim Il-song and is glorified by respected General Kim Chong-il."

Yi Yong-mu, chairman of the State Transport Commission, said:

"The work is a great textbook of struggle for our entire people and the world progressive people. I will push ahead with the work to bring up party members and working people as loyal subjects and filial persons unfailingly loyal to the party and the leader."

Col. General Pak Chae-kyong of the Korean People's Army said:

"I will cherish the honor of receiving another powerful ideological and theoretical guideline for the accomplishment of the socialist cause and stoutly build our revolutionary Armed Forces to be ranks of rifles and bombs safeguarding the socialist cause, the party's cause, at the point of the bayonet."

Kim Yu-hung, vice-chairman of the State Planning Commission, said:

"I will deeply study and acquire the profound idea and theory contained in the work and apply them to my work and life, with a deep pride of receiving another great encyclopedic ideological and theoretical wealth."

Yun Hui-sun, chairman of the Kumchon County Administrative and Economic Committee, said:

"I will bear deep in my mind the pride and honor of having a great party and a great leader and arouse the revolutionary zeal and creative ingenuity of the masses to make a new leap in the implementation of the calls of the Central Committee of the Workers Party of Korea and add lustre to the advantages of our socialism."

No Sok-yul, chairman of the North Phyongan Provincial Committee of the League of Socialist Working Youth of Korea, said:

"I will make efforts to let all young people value our socialism as their lives and unhesitatingly devote their youth on the road to firmly defend and exalt it."

NODONG SINMUN Expounds on Human Rights

SK2806054495 Pyongyang Korean Central Broadcasting Network in Korean
1000 GMT 24 Jun 95

[NODONG SINMUN 24 June article: "In Defending True Human Rights"]

[FBIS Translated Text] The human rights issue has become the most serious and urgent international issue. Today, the human rights of billions of popular masses are being cruelly infringed upon by the imperialists. Nevertheless, the imperialists are spreading numerous kinds of sophism on human rights, calling themselves the defenders of human rights.

Properly resolving the human rights issue is an important issue related to the destiny and future of mankind. Upholding the banner of defending human rights, our party has for a long time exerted every effort to guarantee true human rights for the popular masses. We adhere to our-style human rights aiming at embodying the independent longing of the popular masses and believe that human rights can be thoroughly defended when the maneuver of the imperialists perpetrated under the signboards of defending human rights is resolutely smashed.

Let us properly settle the human rights issue

Today, when the Cold War is over, human rights are one of the important issues being focused on in the international political arena. Human rights are being seriously discussed in international conferences and the human rights commotion is spreading like a fever in many countries. The human rights issue has grown beyond argument and become an issue of relations between countries. The human rights issue has never been as outstanding a sensitive political issue as it is today. To fairly resolve the human rights issue internationally, it is important to establish a correct view on human rights.

The imperialists are using the reactionary and antipopular human rights theory that stands for their own interests as the omnipotent standard, and are forcing other countries to uniformly adopt the standard. At the recent UN meeting on human rights, the imperialists did not mention a word about their poor human rights situation but pointed at other countries to force them to accept the Western standard of human rights. This is a ridiculous act and an intolerable insult to human rights. Without establishing a correct position and view on human rights, the imperialists' reactionary human rights theory cannot be thoroughly smashed, and the human rights issue cannot be truly resolved. The human rights issue can be properly resolved by a view centered on man —the popular masses.

During an interview with a WASHINGTON TIMES delegation from the United States last year, the great leader Comrade Kim Il-song stressed that what the people like is the impartial standard of human rights and clearly taught that the concept of human rights based on the U.S.-style value can never be applied. What the popular masses like is the absolute standard of human rights. It is the popular masses who demand, exercise, and enjoy human rights. Only the standard based on the position and view of the people can correctly discriminate between true and false human rights and enable us to move forward under the banner of defending genuine human rights.

Human rights are in essence an independent right of the popular masses. The great leader Comrade Kim Chong-il indicated: Human rights are the right to independence to be exercised by the people in political, economic, ideological, cultural, and all aspects of social life. Desiring to live and develop independently and creatively is a sacred right of social human beings. Human rights are the principle of life for social beings who regard independence as life. Man's independent right is guaranteed to liberally participate in political life, possess the right to exist and carry out creative activities, and enjoy healthy ideological and cultural life. Thus, human rights are the comprehensive and general concept of the rights that man should enjoy in all aspects of social life.

The imperialists only stress the individuals' rights to liberty, equality, and property, and call the abstract and superclass rights human rights. They do not recognize the rights to work, eat, and live as human rights. The human rights standard as listed in the human rights report distributed by the imperialists every year is extremely ungrounded and antipopular beyond man's right to live. Without man's right to live—the primary right—what can be said of human rights?

In fact, the human rights the bourgeoisie are talking about are, by nature, no more than human rights of those who have capital and money. Human rights in a capitalist society are not human rights of the working popular masses, but rights of the bourgeoisie to property and liberties.

Herein lies a bourgeois outlook on life, a bourgeois outlook on values, which views the exploitation and domination of man by man as a common phenomenon and which views man as a vulgar being pursuing only personal comfort and material greed. The bourgeois theory of human rights, which fundamentally runs counter to the inherent nature of human beings is, in fact, an antiethical theory on human rights.

We have vigorously struggled to build socialism and to guarantee genuine human rights for the popular masses under the banner of the chuche idea.

Through this protracted course of struggle we have come not only to establish a most correct outlook and viewpoint on human rights, which totally accords with the popular masses' aspiration and desire, but also to gain valuable and rich experiences in the solution of the human rights issue.

To correctly solve the human rights issue it is imperative for the sovereignty of a country and a nation to be thoroughly defended. The human rights issue is, in nature, the issue on sovereignty of each country. All countries and nations have sacred national self-determination rights in pioneering their destinies with their own strength. The human rights issue cannot be an exception. History and reality show that to defend the popular masses' human rights, it is imperative to resolutely defend the sovereignty of a country and a nation.

If a country or a nation is subordinated to others, its popular masses cannot escape the doom of slavery. Likewise, if it loses national sovereignty its popular masses can have their human rights trampled underfoot. Human rights cannot exist apart from the sovereignty of the state.

Nevertheless, the imperialists are brutally infringing upon the sovereignty of other countries under the signboard of defending human rights. They are coming up with the brigandish logic that human rights are a universal value transcending national borders and that interfering in human rights issues is not interfering in the domestic affairs of another country. This is logic reversing black and white.

Human rights are neither a fortune provided by heaven nor a gift given by an international organization or another country. Human rights in a genuine sense are not realized by pressure or instructions from outside forces, but are realized when each country provides its people with the rights that they ought to enjoy in all fields of social life, including the political, economic, and cultural fields; legally, institutionally, and materially.

Human rights are synonymous with national rights, and national rights are precisely sovereignty. The people who have lost their sovereignty cannot speak of their human rights. To defend human rights, it is important to enhance vigilance against the imperialists' maneuvers for interference in others' domestic affairs under the signboard of defending human rights.

Meddling in others' domestic affairs under the pretext of defending human rights today, while attempting to interfere with others' domestic affairs with a brigandish logic again tomorrow is precisely the imperialists' cunning nature. The revolutionary people can never do even such a disgraceful act as taking off their trousers before the imperialists. What must not be infringed upon under any circumstances is precisely national rights, and what should be firmly defended like one's own life is precisely the dignity of a country and a nation.

A correct settlement of the human rights issue also requires benevolent politics. Human rights are a reflection of politics. Depending on what politics are enforced in a society, human rights are guaranteed or infringed upon in that society. The politics that guarantees human rights at the highest level in this world is benevolent politics.

Benevolent politics is advanced and popular politics which brings the people's happiness into full bloom with love and which makes the popular masses enjoy a genuine life by firmly rallying them with the strength of trust.

In benevolent politics, the party becomes the motherly party which leads the people's destiny in a responsible manner and the state organs, too, become the protectors for the independent and creative life of the working masses of people.

If the human rights issue had been presented in the countries that were building socialism in the past, it would have resulted from the failure in enforcing the benevolent politics in these countries. No phenomenon of violating the slightest degree of human rights can exist under the benevolent politics in which human rights and dignity are respected to the maximum.

Socialist politics is benevolent politics, while bourgeois politics is money-backed and oppressive politics. The imperialists clamor that bourgeois politics ensures so-called liberty and equality for the people. However, such things cannot be realized in capitalist society.

Speaking of the liberty and equality clamored about by the bourgeoisie, they are nothing but a slogan to defend their interests and property and to gratify their greed. Liberty and equality cannot be realized in a capitalist society. Even if they are realized, they will bring about only a phenomenon in which monetary influence is rampant and inequality is further enhanced.

Under the money-backed politics of capitalism, the state's policies are controlled by conglomerates, and human rights are also influenced by money.

Even the great writer Shakespeare bitterly criticized that under capitalist society money can turn black into white, make a hateful thing a beautiful thing, make a wrong thing a correct thing, and bring about power and honor.

In a capitalist society, money is equal to human rights. Money eventually results in inequality and horrible infringement upon human rights. The law of the jungle applies in a mammonist society. What human life and true human rights can be talked about in a society were parents and children, and brothers and sisters fight against each other to the death over money?

To thoroughly resolve the human rights issue, antirevolutionary maneuvers that encroach upon the interests of the popular masses should never be allowed. Revolution accompanies antirevolution. The independent cause of the popular masses is bound to win in the struggle against the imperialists and reactionaries. To guarantee true human rights for the popular masses, reactionary and antirevolutionary elements that infringe upon the human rights must be thoroughly smashed. Restraining reactionary elements is a fair exercise of sovereignty to defend human rights from the maneuvers of the enemies of human rights.

In a socialist society, power belongs to the popular masses. Power defends the interests of the popular masses and its dictatorship [tokchae] is against the class enemies. If antirevolutionary elements are granted freedom and rights, they will trample upon the people's interests and eventually collapse the socialist system itself, bringing about a grave consequence.

In the past, some countries danced to the wind of human rights defense blown by the imperialists, and, instead of thoroughly smashing the reactionaries' maneuvers, recovered their honor and guaranteed their freedom of activities. As a result, the adverse elements deteriorated the society, and later toppled the party and the government.

The lesson is that without dictatorship over antirevolutionary elements, the human rights of the popular masses and socialism cannot be defended. Nevertheless, the imperialists are babbling as if there are some human rights problems in a socialist society, and rudely asking to give freedom to antirevolutionary elements. The imperialists even play a clown game by praising the antirevolutionary elements as if those abandoned by the people speak for human rights.

Antirevolutionary elements in socialist society are traitors and nation sellers who thoroughly betrayed the people's interests, and human trash who infringed upon human rights. They do not deserve the words human rights. A socialist society is never a superclass society that gives favors to antirevolutionary elements. They do not belong in a socialist society. The so-called human rights the imperialists are demanding from socialist countries are not the human rights of the popular masses but of the enemies of the popular masses; the freedom the imperialists are demanding is not for democratic freedom but for the antirevolutionaries to destroy society without fear.

A socialist regime has a mission to defend the human rights of the popular masses and will never accept the imperialists' forcible demand. As we do not hide our justness, we do not hide our class character in the human rights issue, either. Socialist human rights are not superclass human rights that give freedom and rights to even adverse elements against socialism and impure elements who encroach upon the people's interests. Our human rights give freedom and rights to a broad spectrum of people, including workers, peasants, and intellectuals, and restrain a few class enemies, who encroach upon the human rights of the popular masses.

Our-style theory on human rights, which embodies the chuche idea —the man-centered philosophy, is an independent human rights theory that reflects the aspiration and demand of our people, and a scientific theory based on the correct view on value and life. The theory is a powerful weapon that smashes the human rights sophism of the imperialists and reactionaries and defends and safeguards the gains of socialism to the end. The justness and vitality of our-style human rights theory was clearly proven through the revolutionary practices of our times. The theory is gaining more absolute support from the people as the days pass.

Let us smash the human rights defense maneuvers of the imperialists

The cruelest and brutalest infringement upon human rights is the human rights defense commotion of the imperialists perpetrated under the signboards of humanism and democracy. Today, the human rights issue is abused by the imperialists. The imperialists, who are not even qualified to talk about human rights, are judging others' human rights, fooling the people, and misleading the international public opinion.

Under the slogan of protecting human rights, the imperialists conceal their colors as aggressors, exploiters, and human rights violators, and slander socialist countries and other progressive countries to pursue the insidious political purpose of pacifying the struggle of their people on one hand and undermining progressive countries from within on the other. Consequently, the imperialists' raving about protecting human rights is a vicious and cunning trick to kill two birds with one stone. However, no matter what deceptive maneuvers they may employ, they will not be able to conceal their hypocritical nature.

The imperialists are vicious violators of human rights. Revolutionary people must keenly realize the deceptive and reactionary nature of the imperialists' raving about protecting human rights, and thoroughly crush such raving.

The great leader Comrade Kim Chong-il has pointed out: The imperialists are raving about the human rights problem. This is a trick to conceal their aggressive nature.

The imperialists' raving about protecting human rights is a scheme to beautify and embellish the capitalist society. By using the unreasonable yardstick of the rights of the bourgeoisie, the protectors of the rights of the bourgeoisie are loudly propagandizing that the capitalist society is a paradise of human rights. However, no matter how hard they may propagandize, they will not be able to cover up the true picture of the capitalist society, a wasteland of human rights.

Human rights can truly be defended when legal mechanisms and social and material conditions are provided. Then, when have the imperialists ensured the popular masses these genuine rights even in a single area of social lives? Today the capitalist society almost daily tramples mercilessly the popular masses of a broad strata and politically suppresses them. To tens of millions of workers of the United States, which boasts that it is a free society, political rights and democratic freedoms are a mere facade. There are numerous vicious laws and the FBI and numerous other suppressive organizations keep every movement of progressive political and social organizations and ordinary people under constant surveillance.

Human rights are extremely violated in the United States. For instance, the media, publications, gatherings, and demonstrations are suppressed; progressive social activists are persecuted and expelled; and people are racially discriminated against. How can a society where no human rights are guaranteed in political life, a basic area of social life, be an example of human rights protection?

To ensure that people enjoy human rights, one must implement substantial policies for eradicating poverty, disease, illiteracy, and crime which threaten human existence. In particular, the unemployment problem is the most acute task in protecting human rights. Almost 10 million are unemployed in the United States today, and the unemployment rates in Western European countries are over 10 percent. How dare the imperialists talk about human rights without solving the unemployment problem, the chronic disease of the capitalist society? And, how can they rave that the human rights situation has improved without resolving the prevalence of ever worsening crime and social vices?

The rights of the bourgeoisie are not the rights of the working people but the privileges of the rich people who can do anything with money and the freedoms of those who violate human rights.

Forbes, a U.S. billionaire, went to a resort in Morocco and wasted millions of dollars on a birthday party. At the same time, 40 million Americans are living below the poverty level without having even one meal a day. The money which Forbes wasted on a single birthday party is equal to the total yearly expenses of 260 four-member U.S. households.

There can be no equality where there is a significant gap between rich and poor, and there can be no genuine human rights in a society where exploitation and oppression prevail. The human rights situation is so grave in the capitalist society that the imperialists are not entitled to talk about human rights no matter how many mouths they may have.

The antipopular nature of human rights, about which the imperialists are raving, is clearly shown in South Korea. Today, South Korea is an area where human rights are violated most harshly. The Kim Yong-sam puppet clique is wielding the National Security Law, a vicious fascist law, and mercilessly trampling the people's political freedoms and rights. It is South Korea that suppresses people with guns and bayonets for believing in the chuche idea, the most advanced idea in existence. It is also South Korea that puts religious people into prison for merely visiting the northern half of the Republic, and that detains numerous patriots in prison and harshly tortures them for tens of years for refusing to change their ideas.

In defiance of constant voices of denunciation from the world's public circles, South Korea is not repatriating the unconverted, long-term prisoners — including old men such as Kim In-so, Han Se-hwan, and Kim Yong-tae — to their home towns where their relatives and friends await them, and continues to oppress them. This clearly shows how serious the status of human rights violation is in South Korea.

South Korea, where human beings exist, but where human rights do not, is literally being turned into a large prison.

It is a shame and an insult to mankind that a place where human rights are severely infringed upon, like South Korea, exists on the earth in 20th century civilization, which is not the dark Medieval Ages.

This notwithstanding, it is presumptuous for the Kim Yong-sam puppet clique to babble about someone's human rights. Originally, the South Korean puppets have long been branded as the heinous enemies of human rights.

The Kim Yong-sam fascist clique has infringed, with guns and bayonets, upon the South Korean people's genuine rights to live; has sold the country's sacred sovereignty in its entirety; and has brought disgrace upon the consanguine compatriots. Such a clique is not in a position to talk about human rights. Our nation will never pardon such a clique.

The imperialists' maneuvers concerning the protection of human rights are an important part of their schemes to vilify, slander, and obliterate socialism.

Ever since the emergence of socialism, the imperialists have viciously schemed to oppose socialism.

Because they could not openly crush socialism with arms, the imperialists stuck to a peaceful transition strategy aimed at realizing a disintegration of socialism from within. One important part of such a strategy is a racket concerning the protection of human rights. The imperialists' diplomacy linked to human rights is a cunning scheme aimed at attaining an aggressive goal, which they could not attain with arms, behind the facade of protecting human rights.

The imperialists are babbling as if a socialist society were an inhuman society, while saying that there is no freedom in a socialist society and that human rights are being infringed upon in such a society.

Previously, the imperialists conducted a scheme of vilifying and slandering socialist countries on a broad-ranging scale by mobilizing all propaganda means, including the Voice of Free Europe, and pro-imperialist international organizations. Such a scheme was really nasty and wicked.

Originally, in a socialist society, no social source gives rise to the violation of human rights. The main purpose of the imperialists' false propaganda was to blur the image of socialism before the world and to create ideological confusion among people.

History is a record of episodes related to the bugles of propaganda which are filled with falsities and deceitfulness brought about by people like Nazi Germany's Goebbel. Nonetheless, this is no match for the cunning and wicked nature of the modern imperialists' ballad about the protection of human rights.

Behind the superficially attractive facade of the protection of human rights, the imperialists have schemed to infuse into socialist countries the corrupt bourgeois mode of life, the capitalistic market economy, and the multiparty system. In reality, this is a wicked scheme aimed at demolishing the democratic centralized government system, the planned economy, the wholesome collectivist mode of life — all that are intrinsic in a socialist society; and at bringing capitalism back.

The imperialists' racket about the protection of human rights is fruit from the antisocialist strategy aimed at disintegrating socialism from within. They themselves are admitting this today.

With regard to the fact that socialism was frustrated in some countries, the leaders of the United States are not hiding the real intentions in the schemes that the rascals have implemented, while yelling with delight by saying that this was a victory not only of democracy, but also of the CIA.

As a result of the virtual collapse of socialism, people have come to face, not humanitarian socialism, but capitalist society where exploitation, oppression, social inequality, crime, and immorality prevail. At the present moment, human rights are being heinously infringed upon in such countries. Severe political chaos and bloody conflicts between ethnic groups, which were unimaginable under socialism, are erupting. The blood of innocent people flows everywhere.

The capitalist world where the rich get richer and the poor get poorer, is coming to life again; and the rate of unemployment and that of poverty are rapidly increasing.

In those countries where socialism was frustrated, millionaires, who have become newly rich thanks to the plunderous privatization process, are emerging; and national wealth is accumulating in the hands of an extremely small number of rich people. The only thing, which the imperialists' racket concerning the human rights has brought to those countries, is a wasteland of human rights.

The imperialists and betrayers of socialism should firmly assume their due responsibility before history and mankind for their 20th-century felony of having frustrated socialism and inflicted innumerable disasters upon the people by running counter to the trend of history's development.

The imperialists' schemes regarding the protection of human rights are a political means aimed at wantonly interfering in other countries' internal affairs and making a fool of the destiny of other nations.

While overlooking the human rights violations in antipopular countries such as South Korea, the imperialists have set a trap, called human rights, on those countries rejecting their interference and pressure, thus applying double standards in dealing with human rights issue. The rascals have justified their brigandish act of isolating and crushing independent and revolutionary countries politically, economically, and militarily under the cloak of human rights protection.

The aggressors who dispatched military troops to other countries and submerged them into a sea of blood under the pretext of human rights protection, the plunderers who severed trade exchanges with other countries to suffocate them economically under the pretext of human rights protection, and the peace disturbers who plotted to overthrow independent governments under the pretext of human rights are all none other than the imperialists.

As we see in the cases of the U.S. imperialists' armed interference in domestic affairs of Grenada, Panama, and Haiti and their economic blockade against Cuba and Libya, the imperialists are attempting to rule with a club, called human rights protection, those countries which do not comply with their intent.

The human rights issue is by nature a noble humanitarian problem to guarantee human beings' dignity, freedom, and welfare. Therefore, if such a humanitarian problem is used as a means to apply pressure and sanctions against other countries and to destroy and overthrow their social and political system while running counter to its intrinsic noble ideal, how can we call it human rights?

The imperialists' maneuvers to utilize the human rights issue in their insidious political purposes can never be justified under any circumstances. In particular, the imperialists have also threatened some countries by groundlessly branding them as terrorist states or as states supporting terrorism.

Speaking of terrorism, the communists who treasure human rights have nothing to do with terrorism; rather, they strictly oppose terrorism itself. The communists who are carrying out the just cause, relying on the popular masses' powerful strength, need no terrorism.

The communists have firmly adhered to the principle that they do not export revolution before or after they took power and have implemented peace-loving policies. This has been proven by history and reality. Terrorism exists not in socialism, but in capitalism. It is the imperialists' cunning tactics to threaten, blackmail, and murder their political rivals, innocent people, by way of terrorism.

As long as a capital society exists, terrorism endangering the lives of people will never disappear. This is eloquently shown by the recent bomb attack incident in Oklahoma City in the United States and the subway poison gas incident in Japan.

It is outrageous and preposterous that the imperialists are attempting to brand other countries as terrorist states while keeping mum about today's reality in which mafias strut about in broad daylight and the horrible terrorism of murdering hundreds of people is openly rampant. The imperialists should not clamor about the human rights situation in other countries but should clean their own houses.

The imperialists are meddling in the human rights situation in other countries, clamoring as if they had a great mission for mankind with regard to human rights issue. This is foolish indeed.

In this world, no people have asked the imperialists to protect their human rights, no people have begged them to give them human rights, and no people have solicited the imperialists to play the role of being a judge for human rights. The time when the imperialists perpetrated all kinds of tyranny, by having the destinies of other countries and other nations at their beck and call, has passed. Today is the era of independence.

The imperialists' deceptive human rights protection maneuvers will be completely destroyed by the struggle of the awakened popular masses who treasure independence as they treasure their lives. Let us defend the socialism of our own style.

The human rights issue at present is an important political issue related to whether or not the revolutionary principle, the socialist principle, can be defended. Our people's struggle to defend genuine human rights is a sacred struggle to safeguard the dignity of the party and the leader [suryong] and to defend the socialism of our own style.

The great leader Comrade Kim Chong-il has indicated: We should live our own way and should firmly defend our country's socialism.

The genuine way of defending human rights lies in defending socialism. By nature, socialism and human rights are closely linked as one. It is the ideal of socialism that has synthesized the popular masses' aspiration and desire to realize independent rights, and where human rights have been institutionalized legally is precisely socialist society. Socialism represents human rights.

A socialist society, where the working, popular masses take the position as masters and exercise their rights as masters, is a genuine paradise of the people which mankind has long wished to have.

In socialist society, politics are implemented as the benevolence-oriented politics aimed at defending human dignity; everything in society, including material wealth, fully serves the people; and the human relationship comes into bloom as a relationship not of antagonism and jealousy, but of unity and cooperation, love and trust.

No matter how viciously the imperialists vilify socialism, they can never bury the great reality of socialism, nor can they block the people's ardent aspirations and longing to socialism. Today, the socialist movement is experiencing momentary hardships. But, the banner of socialism flies as high as ever before as the banner protecting human rights.

People in countries where capitalism has been brought back, are also keenly feeling how precious and human was the socialist mode of life they enjoyed in the past, and, accordingly, they are vigorously turning out in a struggle to revive socialism.

Socialism is the life and livelihood of the working, popular masses. If one discards socialism, one will lose all rights to live.

A man who values human rights should traverse the road to socialism, and should defend the banner of socialism to the end.

The Korean communists are genuine protectors and representatives of human rights who hold high the banner of socialism, which is the banner protecting human rights, and are thoroughly embodying human rights.

The Korean revolutionaries have strenuously struggled to carry out the revolutionary cause of chuche for a long time. The chuche cause is a noble cause to liberate man, and is a genuine cause to protect human rights.

While building the most superior socialism centered around the popular masses on this land, we have displayed to the world what genuine human rights of the popular masses are.

Society embodying our-style socialism is a society of socialism centered around the popular masses where the popular masses are the masters of everything and everything serves the popular masses.

In our country, the people's character and independent rights are substantially respected and protected.

Our socialist system fully guarantees all rights as social beings to all members of society, including political freedom and rights; the rights to labor and survival; and the rights to education and medical services. There is no country in the world like our country, which legally and substantially guarantees the human rights of its people.

Our-style human rights, which all people like, are really fair, popular-minded, and advanced human rights.

Our people are firmly convinced that the society of our-style socialism is a genuinely popular-minded society which guarantees a rewarding and dignified life to all people.

We will not make the slightest concessions concerning our-style socialism which our people themselves have chosen and built; and will resolutely defend it, while valuing it as our life.

The road to defending and realizing our-style human rights and our-style socialism lies in more thoroughly embodying the chuche idea, the man-centered philosophical ideology.

The chuche idea — a man-centered view of the world — is an ideology calling for serving the people like heaven, and is the most thorough-going banner for the protection of human rights, the ideology which regards the popular masses as the most precious being and which demands that everything serve the popular masses.

When one brilliantly embodies the chuche idea, one can build a society centered around the popular masses characterized by justice, utmost respect for the people's character; and centered around the popular masses, where the popular masses' independent and creative life comes into full bloom.

By marching forward while holding the banner of the chuche idea high, we have turned our fatherland into a great country of people where the popular masses enjoy genuine freedom and rights.

At the present moment, we are struggling to more wonderfully provide the popular masses with an independent and creative life in conformity with the demands of the chuche idea.

We should resolutely defend and brilliantly realize our-style human rights centered around the popular masses by thoroughly embodying the chuche idea in all fields of revolution and construction.

Our people, who are struggling for a just cause, do not need to win someone's recognition, nor do they need to feel out someone's views with regard to the question of human rights.

We can have just dignity and pride in the solution of the question of human rights, as in everything else.

No matter what anyone may say, we will live in our own way and in a dignified fashion; and will thoroughly reject the Western-style theory of human rights which is full of sophistry.

Just as we have resolved the human rights issue with our own unique opinion and faith, irrespective of any precedent documents or existing theories, we will continue in the future to do so without the slightest deviation.

In order to firmly defend our-style human rights and our-style socialism, we should further solidify the single-hearted unity among the leader, the party, and the masses. The sociopolitical organism in which the leader, the party, and the masses are united in one, is the cradle for true human life to blossom. True human rights of social human beings can be brilliantly achieved only in the sociopolitical organism. The supreme rights of life and true human rights lie in loyally upholding the party and leader and devoting everything in the struggle for society, the collective, and revolutionary comrades.

Today, in our society, it is the utmost honor of the people and the lofty demand of life to uphold the great leader Comrade Kim Chong-il as the father, and believe in and follow the party's bosom as the mother's bosom. People who devote their lives without hesitation to save revolutionary comrades from danger, young men and women who decide to spend their lives with disabled soldiers, and those who help orphans and old people without care like their own families; such continuously blooming, beautiful traits are the proud aspect of our society, where true human rights are established.

We proudly say that true human rights lie on the road of further solidifying and developing the single sociopolitical organism, in which the leader, the party, and the masses share the destiny of life and death. Our people will more persistently carry out the work to solidify the single-hearted unity firmly united around the great leader, and establish a healthy and revolutionary life ethos in the entire society.

The road to defending socialism of our own style is to face the maneuvers of the imperialists with revolutionary principles. Aggression and exploitation is the life and nature of the imperialists. All the incidents taking place in the international arena plainly show that the wolfish nature of the imperialists has not changed and will not change. We must have no illusion about imperialism. One step backward in the struggle against the imperialists brings about a hundred steps of retreat. One concession on the human rights issue will result in the hindrance of socialism. It is natural for us to take a strong attitude against the imperialists' strong-arm policy on the human rights issue.

If the imperialists stretch out their black hands with the human rights issue, we should resolutely break them, lifting the red flag of the revolution.

The struggle to resolutely smash the enemy's human rights maneuvers is a struggle to defend our social system and national rights. We will never allow the imperialists to insult a bit of our system. If the imperialists attempt to violate our sacred sovereignty, slandering our superior, socialist, human rights, we will staunchly fight to the end without conceding even 0.01 mm. This is the unshakable will of our party regarding the human rights issue.

The future of mankind is in the hands of the popular masses who fight for the cause of justice. The just and principled struggle of our party and people to defend our-style human rights will be brilliantly embroidered as the great victory of true human nature of the communists against the brutality of the imperialists. Following the leadership of the respected and beloved Comrade Kim Chong-il, who is the ever-victorious, iron-willed, sagacious general and great defender of the socialist cause, our party and people will staunchly fight on, lifting higher the banner of independence and socialism.

South Korea

Freighter Departs North Korean Port 28 Jun

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[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The South Korean freighter, "Sea Apex," departed Chongjin port, North Korea, for Pusan at 2 PM Wednesday, after completing the unloading of the 2,000-ton first batch of 150,000 tons of rice aid from the South at around 10:40 AM Wednesday, its owner Namsung Shipping Co. disclosed.

The freighter is scheduled to arrive at Pusan port at 2 AM Friday.

While stevedoring was underway at the western pier of Chongjin port, the Sea Apex pulled down the South Korean national flag at the North's request. All 16 crew members of the vessel are healthy, according to a spokesman for the shipping company.

N-S Air Freight Service Contract Said Signed

SK2806055395 Seoul YONHAP in English
0526 GMT 28 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — Air freight service to and from North Korea is expected to be launched from July 1.

Uni Force Co., an importer of fishery products from North Korea, was said to have signed a contract with a Japanese air cargo forwarding agent for the air cargo services to the North.

Yun Yong-hyon, the company's president, said Wednesday the Japanese firm not only is capable of forwarding air cargoes to North Korean cities via China through air, but, also, has an access to feed services on land by trucks in North Korea.

Air cargoes can be forwarded to a number of North Korean cities from South Korea via Japan or China through the Japanese air cargo forwarding agent, he said.

Pyongyang, Sariwon, Nampo, Wonsan, Haeju, Sinuiju, Kanggae, Hamhung and Chongjin are some of the cities in the North on the list where air cargoes from the South can be delivered, he added.

It will take about three to four days for air cargoes to be delivered to Pyongyang, and its vicinities, although it will take longer for other cities—seven to 10 days at the maximum. The forwarding service will be like the registered parcel delivery service in which receipts will be signed by the receivers.

North Korea's Air Koryo planes will pick up the cargoes in Osaka and Beijing and transport them to the North, Yun explained.

South Korean firms can use the Japanese agent to pick up the goods produced by their affiliates in the North and have them delivered to any point in the South, which in fact opens up the air cargo service between the two Koreas, although it should include a stop in a third country, Yun said.

The air cargo service will cut time required otherwise shipping raw materials via marine transportation, for example. Pro-North Korean business firms in Japan, especially firms under the Federation of Korean Residents in Japan (Chochongnyon) which are doing business in the North have been the big customer of the Japanese air freight services, Yun said.

Yun said he first set his eyes on doing business with the Japanese air cargo agent in February, and finally succeeded in signing the contract May 25, after clearing with the National Unification Board to see if the contract infringes on laws governing inter-Korean relations.

He is hopeful of the future of his business now, with the North Korean nuclear issues settled, and the two Koreas' rice aid deal moving along smoothly. He expects inter-Korean economic cooperation to pick up speed too.

Japan Official Hints Diplomatic Ties With North

SK2806050495 Seoul TONG-A ILBO in Korean 28 Jun 95 p 2

[Report on "exclusive interview" with Koichi Kato, chairman of Japan's Policy Research Council of the Liberal Democratic Party, by Pae In-chun in Tokyo on 27 June]

[FBIS Translated Text] Koichi Kato, chairman of the Policy Research Council of the Liberal Democratic Party, Japan's largest ruling party, said, "Japan may establish diplomatic relations with North Korea before the United States does."

In an exclusive interview with TONG-A ILBO on 27 June, Chairman Kato said: "North Korea will not be able to survive politically and economically without promoting exchange with the United States and Japan. And, Japan having no diplomatic relations with North Korea would be a big obstacle to its security."

He went on to say: "Therefore, if the two countries resume talks to discuss the normalization of relations, the talks will proceed very quickly." As for the North Korean power structure, he said: "A solid bureaucratic system is poised around Secretary Kim Chong- il." He also said: "With regard to making changes, major decisions can be made by Secretary Kim's authority. If there is no strong leadership, a powerful bureaucratic system is bound to emerge."

Kato has now served as Japan's window to North Korea-Japan relations. He said: "If Japan establishes diplomatic relations with North Korea, it will deal with North and South Korea on an equal basis. However, it will take many years for North Korea-Japan relations to reach the level of ROK-Japan relations." He also said: "I do not think Japan will shake the balance of power between North and South Korea to a great extent even after it establishes diplomatic relations with North Korea."

Chairman Kato also said: "Providing rice to North Korea before establishing diplomatic relations is a special humanitarian effort. Chances for assistance will be very limited as long as no diplomatic relations are established." In this way he did not completely reject the possibility of promoting North Korea-Japan economic cooperation before establishing diplomatic relations."

Kim Chong-il Establishes New Bodyguard Unit

SK2806132095 Seoul KBS-1 Television Network in Korean 1236 GMT 28 Jun 95

[FBIS Translated Text] Russia's weekly NOVOYE VREMYA reported on 28 June that North Korea's Kim Chong-il replaced almost all of his bodyguard unit due to a recent assassination attempt against him. It also reported that he will establish the 16 February bodyguard unit, which will be made up of 2,000 descendants of revolutionary fighters, to be in charge of guarding him.

NOVOYE VREMYA also reported that to maintain the regime, Kim Chong-il is implanting secret agents under his direct control in government organs to observe the degree of loyalty of party cadres and high-ranking soldiers toward him.

DPRK, U.S. Agree on Aug Heavy Oil Shipment

SK2806020195 Seoul HANGUK ILBO in Korean 28 Jun 95 p 1

[FBIS Translated Text] The Foreign Ministry stated on 27 June that, at the working-level talks concluded in Pyongyang on 23 June, North Korea and the United States agreed to begin the delivery of the second shipment of 100,000 tonnes of heavy oil — which was supposed to be delivered by October — in August. North Korea agreed to the installment of monitoring devices in storage tanks and oil pipes aimed at preventing the diversion of heavy oil, in return for the early delivery of heavy oil.

North Korea and the United States held working-level talks from 18 June on the supply of heavy oil according to the agreement reached at the semi high-level talks in Kuala Lumpur.

The United States sent the first shipment of 50,000 tonnes of heavy oil in January and is supposed to ship 500,000 tonnes of heavy oil to North Korea every year, beginning in 1996, until the construction of the light-water reactor No. 1 is completed in North Korea.

Police Probe Foreign Study Company in Visa Case

SK2806025895 Seoul CHOSON ILBO in Korean 28 Jun 95 p 39

[By reporters U Pyong-hyon and Cho Hui-yon]

[FBIS Translated Text] The Foreign Affairs Department of the Seoul Metropolitan Police in charge of investigating the fraudulent visas issued at the U.S. Embassy, found on 27 June that The 21st Century International, which is suspected of arranging a large volume of fraudulent visas, hid all documents on foreign study applications immediately after the U.S. State Department began auditing the U.S. Embassy in Korea. The police believe it was impossible for this to take place without advance information from a U.S. Embassy insider, and summoned Choe, a department chief, and other executives of the foreign study arrangement company to investigate how they disposed of the documents.

The police investigation of The 21st Century International shows that the account book, visa application files, and related documents were hidden around 12 June, a week after the U.S. State Department audit began.

Stephen Rounds, spokesman of the U.S. Embassy, said: "Investigations are underway on whether there were inside informers. The investigation result will give an account of the case."

Investigation of 'Forged' Document Continues

SK2806111895 Seoul YONHAP in English 1053 GMT 28 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The prosecution, now probing into the controversy surrounding an allegedly forged Foreign Ministry document, has confirmed that the document in question was delivered to the office of Rep. Kwon No-kap, a vice president of the opposition Democratic Party [DP], in person by the wife of Choe Sung-chin, the central figure involved in the scandal and who was just recently relieved of his post as administrative attache at the embassy to New Zealand.

Choe's wife, An O, 40, reportedly told prosecutors during questioning at the Seoul District Prosecutor's Office that she handed a yellow envelop containing several documents over to a female secretary of Rep. Kwon, at Kwon's office on either April 6 or 7, at the request of her husband.

"I returned to Seoul on March 26 to take care of matters concerning my son's education. As I had been asked to, I tried in vain to contact Rep. Kwon via his home telephone several times, so I visited his office and handed the envelope containing the yellow documents to one of his female secretaries on April 6 or 7," she said.

But, she said she was unaware as to the kind of documents the envelope contained.

Meanwhile, the prosecution summoned Kim Yong-ki, director-general of the Foreign Ministry's culture-cooperation bureau, to question him about the circumstances surrounding a case in which the Foreign Ministry is suing Rep. Kwon and former DP leader Kim Tae-chung for libel.

During the questioning, Kim requested the prosecution sternly punish Rep. Kwon who he said "greatly damaged the Foreign Ministry officials' honor and the public's trust in them by spreading groundless accusations." He noted that "Foreign Minister Kong No-myong and 16 other complainants and members of the entire Foreign Ministry staff, both at home and abroad, feel Rep. Kwon should be punished under the criminal code."

As to Chairman Kim Tae-chung of the Asia-Pacific Peace Foundation, Kim pleaded that the prosecution bring "legal action" against the chairman. "Chairman Kim continued stating irresponsible remarks of the same content (as Rep. Kwon's) based on Rep. Kwon's ill-founded allegations during his stumping speeches," he argued.

Rep. Kwon, even after his ministry's internal investigation and the prosecution's probes have ascertained that the Foreign Ministry did not forge the documents involved, and continued to argue that the Foreign Ministry "is telling a lie after even forging related documents as its instructions which called for the collection of information in an effort to delay the local elections have been revealed."

Meanwhile, Rep. Kwon notified the prosecution Wednesday that he would proceed to the prosecution Thursday.

Results of Local Elections Reported, Analyzed

68.3 Percent Turnout Registered

SK2706232895 Seoul YONHAP in English 2227 GMT 27 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — A total of 21,217,417 people took part in Tuesday's local elections showing a turnout rate of 68.3 percent, the central election management commission said in a final tabulation Wednesday morning. The number of the total eligible voters was 31,048,566.

The participation rate is compared with 71.9 percent in the 1992 general elections, 58.9 percent in the

1991 major city and province council elections, and 55 percent in the 1991 small city, county and ward council elections.

By area, the highest turnout, 80.5 percent, was registered in Cheju Province, and the lowest, 62 percent, in Inchon.

The turnout rates in other areas were 65.9 percent in Seoul, 66.3 percent in Pusan, 64 percent in Taegu, 62 percent in Inchon, 64.9 percent in Kwangju, 67 percent in Taejon and 63.3 percent in Kyonggi Province.

Other provincial areas recorded 72.7 to 76.8 participation rates in the local elections.

Opposition Makes 'Strong Showing'

SK2706232695 Seoul YONHAP in English 2201 GMT 27 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — As opposition parties made unexpectedly strong showing in the local elections Tuesday, significant changes are expected to appear in the political circles, political observers said Wednesday.

They said one significant change will be the re-emergence of the three-Kims era as Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, had virtually returned to politics through the elections and Kim Chong-pil, head of the United Liberal Democrats, emerged as an influential leader in merely four months after he was dumped by the ruling party last February.

The ruling Democratic Liberal Party (DLP) is set to hold a series of strategy meetings Wednesday to assess the reasons for the election defeat and discuss ways to cushion off the aftermath of the blunder.

"I don't think the party chairman and secretary-general would dare to remain at their posts under the circumstances," a party official said.

He said one immediate fear is that DLP lawmakers hailing from the Kangwon and North Chungchong Provinces, which had been traditionally ruling party strongholds but where it lost in the governors elections, may turn restless and leave the DLP.

The Democratic Party and United Liberal Democrats, emboldened by their strong showing in the elections, are expected to cooperate [with] each other in promoting a constitutional election in favor of a parliamentary cabinet system, an observer said.

The observer predicted that Kim Tae-chung would try to return to the top post of the Democratic Party sooner or later, which would set off heated in-party power struggles between Kim's supporters and their rivals.

He further observed that party head Yi Ki-taek would face a strong pressure from within the party for the defeat in the Kyonggi gubernatorial election by Chang Kyong-u whom he had nominated despite Kim Tae-chung's call for reconsideration until the last minutes.

DLP Suffers 'Humiliating Defeat'

SK2806021895 Seoul THE KOREA HERALD in English 28 Jun 95 pp 1, 4

[By staff reporter Sin Yong-pae: "DLP Suffers Defeat in Local Elections: DP Projected To Win in Seoul Mayoral Contest, ULD Leads in 4 Regions"]

[FBIS Transcribed Text] The ruling Democratic Liberal Party (DLP) was headed for a humiliating defeat in the local elections yesterday, casting a dark cloud over the Korean political landscape.

Exit polls and early returns projected that the ruling party would win control of five metropolises and provinces out of the 15 at stake.

The main opposition Democratic Party (DP) was on its way to a precious victory in the mayoral contest in Seoul along with the gubernatorial seats in its political bases—Kwangju, South and North Cholla Provinces.

The splinter opposition United Liberal Democratic (ULD) was making an impressive showing as it was headed to victory in Kangwon province as well as the three regions in which it had anticipated an easy victory—Taejon and South and North Chungchong Provinces.

Independent candidates took a commanding lead in the mayoral contest in Taegu and the gubernatorial race in Cheju.

Early returns showed that the ruling DLP was also headed for a failure to secure a majority of the heads of smaller administrative districts and councilors in six metropolises and nine provinces.

The DLP was set to win control of 43 districts, counties and small cities of the 230 up for grabs as of 1:00 a.m., while the DP was leading in 30 regions. The ULD was taking the lead in 14 regions and 27 independent candidates ere headed to victory.

In the elections to select 875 large-unit local councilors, 202 DLP candidates were leading the race, followed by 190 DP candidates.

The projections verified the fact that South Korean politics is still held hostage by regional rivalries, political analysts said.

The analysts said that it is also expected to give a big political boost to former DP leader Kim Tae-chung and

ULD leader Kim Chong-pil, thus revising a new era of "three Kims" which refers to the domination of the Korean political scene by the two opposition leaders and President Kim Yong-sam.

In particular, the DP's victory in the Seoul mayoral election, the focal point of the nationwide local elections, would pave the way for Kim Tae-chung to seek his fourth bid for presidency in the 1997 presidential election.

In Seoul, DP candidate Cho Sun, a respected economist, handpicked by Kim Tae-chung, won 39.4 percent of the votes putting aim on the path to an upset victory over independent candidate Pak Chan-chong, who earned 34.4 percent, according to exit polls conducted by Korea Gallup Polls Ltd. and Munhwa Broadcasting Corp. (MBC).

Chong Won-sik of the DLP who was chosen by president Kim as the mayoral candidate was running a distant third with 24 percent of the vote.

Other leading candidates included Mun Chong-su (DLP) in Pusan, Yi In-che (DLP) in Kyonggi Province, Sim Tae-pyong (ULD) in South Chungchong Province,and Yu Chong-kun (DP) in North Cholla Province.

The local elections were held amid opposition parties' move to push them as a mid-term test for the administration of President Kim Yong-sam.

Voting was conducted from 6:00 a.m. for 12 hours at 17,230 polling stations across the nation following 16 days of campaigning tainted by mudslinging and regional antagonism.

No major accident related to voting was reported. Some 150,000 policemen were put on alert to deal with possible emergencies.

Ballot counting was conducted overnight at 376 counting places across the nation without major interruptions. Television and radio stations relayed the vote count throughout the night.

Election management officials said final results of the elections are expected to be made available one day after the voting at the earliest, because of the elections procedural complexity.

The elections were held to select 15 mayors and governors, 230 heads of smaller administrative districts and some 5,400 council members.

More than 15,000 candidates vied for the posts which constitute local governments and councils, which came to a halt after the 1961 military coup.

Voters turnout stood at 64.7 percent for the local elections, lower than 71.9 percent in the National Assembly elections and 81.9 percent in the presidential polls, both held in 1992.

Government officials hailed the local elections as the cleanest and fairest in the nation's history.

But the election campaigning was marred by slandering among candidates and regional rivalry.

More than 170 people have been arrested on charges of spreading groundless rumors to smear the image of their rivals and making other election law violations.

The prosecution said it is conducting preliminary investigations into another 800 people to determine whether or not they violated the election law.

Prime Minister Yi Hong-ku warned that the government will take stern measures against those who violated the election law, which was revised last year to ensure fair and inexpensive campaigning.

"Arrests of election law violators will be one of the main political issues in July," Yi said.

In particular, the ruling and opposition parties fought against each other over how to define the local elections during their campaigns.

DP Leading in Small Units

SK2806022195 Seoul YONHAP in English 0126 GMT 28 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The opposition Democratic Party [DP] outperformed the ruling Democratic Liberal Party (DLP) in the selection of small city mayors, county commissioners and ward chiefs in Tuesday's local elections.

According [to] a central election management commission tabulation as of 8 AM Wednesday [2300 GMT], Democrats were leading in 80 of the total 230 small administrative units while DLP was winning in 56 areas.

The United Liberal Democrats [ULD] were winning in 22 areas and independents in 50 other districts.

In particular, in Seoul, DP was sweeping 23 of the 25 posts of ward chiefs and 39 of the 43 areas in the Honam zone comprising South and North Cholla Provinces and Kwangju.

In addition, the Democrats were making a strong showing in some districts of such traditionally non-DP areas as Taejon, North Chungchong, Kangwon and North Kyongsang Provinces.

DLP was winning in 13 in the 16 wards of Pusan, 11 of the 21 areas in South Kyongsang Province, in 12 of the

31 in Kyonggi Province and nine of the 18 in Kangwon Province.

Other areas in which the ruling party was dominating included two of the 25 wards in Seoul, one of the eight wards in Taegu and six of the 23 in North Kyongsang Province, and in three of the 11 in North Chungchong Province.

ULD is expected to sweep all the 15 areas of South Chungchong Province and four of the five wards of Taejon.

On the other hand, independents were winning in four of the eight wards in Taegu, 13 of the 23 areas in North Kyongsang Province, and seven of the 18 areas in Kangwon Province.

DLP 'Overwhelmed' by Opposition

SK2806131795 Seoul YONHAP in English 1259 GMT 28 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — Opposition parties overwhelmed the ruling Democratic Liberal Party [DLP] in the June 27 local elections, restoring the political power of the two Kims — Kim Tae-chung and Kim Chong-pil — as well as reconfirming deep-seated political regionalism.

However, the local elections, held for the first time in 34 years, have successfully reinstated full-scale local autonomy, laying a foundation for the development of grass-roots democracy, according to political analysts.

A total of 21,217,417 voters, or 68.3 percent of the 31,048,566 eligible voters, cast their votes in the local elections across the country Tuesday, 3.6 points lower than 71.9 percent registered in the 14th general elections in 1992.

The main opposition Democratic Party [DP] won the Seoul mayoral race, and will administer the metropolitan local government of 12 million people — more than a quarter of the country's population — and three other provincial governorships and a large city mayoral posts.

The DP also claimed the head posts of 84 wards, counties and small cities of the total 230 small local self-governing body heads, while the DLP won only 71. The minor opposition United Liberal Democrats [ULD] won 23 others, and independents claimed 52 posts.

However, the DP appeared strong in Seoul and in its traditional stronghold South and North Cholla Provinces, while the DLP won in Pusan city and South and North Kyongsang Provinces, Kyonggi Province and in Inchon city, showing clear tendency towards regionalism.

The ULD, led by former DLP Chairman Kim Chong-pil, won the head posts of Taejon city, South and North Chungchong Provinces and Kangwon Province, but was weak in the elections for local council members.

The ruling party also lost in the election for council members of large self-governing bodies — 15 large cities and provinces, winning only 32.7 percent, or 286 posts.

In contrast, the DP claimed the most posts with 40.6 percent, or 355 seats, while the ULD won 9.5 percent, or 83 seats. Independents obtained 17.3 percent, or 151 seats.

The DP, in particular, swept 23 of the total 25 ward heads of Seoul as well as 122 seats of the total 133 Seoul city council member posts. The DLP won the remaining two ward heads and 11 council seats.

De facto leader of the DP Kim Tae-chung, chairman of the Peace Foundation for the Asia-Pacific Region, announced his retirement from politics shortly after losing the electoral battle to the incumbent President Kim Yong-sam in the 1992 presidential elections.

Kim Chong-pil, ULD president, walked away from the ruling DLP in February this year after President Kim Yong-sam and his close aides within the DLP forced him to resign as DLP chairman, and then created another opposition party in March. Kim participated in politics in 1961 after he led a military coup d'etat along with former President Pak Chong-hui.

Observers said the victory of the opposition parties in the local elections is expected to affect next year's parliamentary elections.

As of 9:00 PM Wednesday, about 99.6 percent of the total votes for heads of large self-governing bodies were counted, while the same percent of the votes for small self-governing bodies had been opened.

About 94.6 percent of the votes for council members of the large bodies were counted, and 91.9 percent of those for council members of small bodies had been opened.

The ballot-counting is expected to be completed and officially announced Thursday morning, according to the Central Election Management Commission.

Official Tabulation Released

SK2706235995 Seoul YONHAP in English 2336 GMT 27 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The ruling Democratic Liberal Party (DLP) won or was winning five of the 15 major mayoral and gubernatorial posts in the local elections Tuesday [June 27].

According to an official tabulation released by the Central Election Management Commission early Wednesday morning, the opposition Democratic Party [DP] and United Liberal Democrats (ULD) either won or were leading in four each other areas.

The remaining two were about to go to independents.

In Seoul as of 6:30 AM when vote counting was 57.3 percent complete, DP's Cho Sun won 1,158,611 votes or 42.0 percent of the ballots counted.

Independent Pak Chang-chong earned 932,040 (33.8 percent) and DLP's Chong Won-sik 572,303 votes (20.8 percent).

In the second largest city of Pusan, DLP's Mun Chong-su obtained 498,356 votes or 51.3 percent as of 6:30 AM when vote counting was 57.8 percent complete.

No Mu-hyon of DP won 365,801 (37.6 percent).

In Taegu, independent Mun Hi-kap obtained 266,253 votes or 36.5 percent of the ballots tabulated while runner-up Yi Ui-ik of ULD earned 164,030 (22.5 percent).

DLP's Choe Ki-son far outran DP's Sin Yong-uk 182,237 to 133,792. Choe's election appears a sure thing.

Song Un-chong of DP was solidly leading in Kwangju and so was Hong Son-ki of ULD in Taejon.

Yi In-che of DLP and Choe Kak-kyu of ULD were almost assured of their victories in Inchon and Kangwon Province, respectively.

In other areas, ULD was sweeping South and North Chungchong gubernatorial elections: DP in South and North Cholla Provinces: and the ruling DLP in South and North Kyongsang Provinces.

In Cheju Province, independent Sin Ku-pom far outperformed DLP's U Kun-min to make his victory almost certain.

The same pattern of performance by the three parties was almost true of other local elections.

Of the 230 posts of the heads of small cities, counties and wards, the DLP won or was winning in 43 areas, DP in 30, ULD in 14, and independents in 27 as of 3 A.M.

In the major city and province council elections designed to elect a total of 875 council members, DLP was winning 240 seats, DP 279, ULD 68 and independents 99.

'Largest-Scale' Polls Set Record

SK2806010795 Seoul THE KOREA HERALD in English 28 Jun 95 pp 2, 4

[FBIS Transcribed Text] The June 27 local elections were record-breaking in many respects in addition to the fact that they are of the largest scale in the nation's election history.

A total of 15,370 candidates competed for 5,561 elected posts on four administrative levels.

Specifically, they were divided into 55 candidates running for the 15 mayoral and gubernatorial posts, 940 for the 230 heads of smaller administrative units and 14,380 for the 5,416 council seats.

As well, 97 local council seats in nine provinces and the six largest cities will be proportionally represented by political parties.

The number of eligible voters stood at more than 31 million out of a total population of some 45 million.

The money candidates deposited with local election management committees totaled some 46 billion won, fourfold that of the previous general elections in 1992.

Property registration revealed that the richest candidate is Cho Yong-u, who ran for the council seat in a Pohang district. He reported his assets to be valued at over 121 billion won.

The Central Election Management Committee set up 17,230 polling stations and 376 ballot counting places nationwide.

Some elementary and junior school students had to stay away from their schools for two days as they were used for polling and vote counting.

Given the scale and complexity of the local elections, where a voter is to select one each from among the candidates for the four different types of elected posts, many votes may turn out to be invalid.

Another notable phenomenon is the polarization of voter interest.

Voters showed a keen interest in the election of governors and large city mayors. But many of them failed to identify who was running for the posts of lower-level administrators and councilors.

'Extreme' Rivalries Mar Elections

SK2806014595 Seoul THE KOREA HERALD in English 28 Jun 95 pp 1, 4

[By staff reporter Chon Si-yong]

[FBIS Transcribed Text] The dark sides of South Korean politics overshadowed the bright sides during the electioneering for yesterday's local elections.

The nationwide local elections, the first major popular votes since the 1992 presidential race, were tainted by extreme political rivalries that reenacted many chronic ills of Korean electioneering.

Regional animosities raised their ugly head again, leaders of major parties and candidates resorted to mudslinging, and issues having little to do with local elections such as the calls for a shift to a cabinet government system and a generational change of politicians dominated the 16-day campaign.

Political analysts said that all these maladies combined to eclipse the bright sides of the local elections.

"The revival of a full local autonomy itself bears considerable significance on Korean politics," said Prof. Kim Ho-chin of Korea University.

Yesterday's local elections marked the first time for South Korean voters to select their mayors and provincial governors through direct vote since the local self-rule was halted in 1961 by a military coup led by former President Pak Chong-hui.

"The reenactment of regional rivalries and partisan disputes over issues of national politics partly damaged the political significance of the local elections," Kim said.

Kim and other political analysts agree that major political parties, regarding the local votes as a stepping stone for the parliamentary elections next year and the presidential contest in 1997, took the lead in turning the electioneering into a nasty political battle.

Former opposition leader Kim Tae-chung, whose political influence largely depends on support from the Cholla area, called for "equal rights for each region," a move apparently aimed at sustaining regional backing for the Democratic Party (DP).

In the course of his campaigning for DP candidates, Kim has virtually renounced his retirement from politics, which itself became a hot election issue.

Kim Chong-pil, leader of the United Liberal Democrats (ULD), whose political capital comes from support from the Chungchong region, also fanned regional rivalries to line up votes. He called for a shift to a cabinet government system, which President Kim Yong-sam and his ruling Democratic Liberal Party [DLP] denounced as a scheme for extending his political life on the basis of regional rivalries.

The opposition forces, in order to ride on the decline in the popularity of the administration of President Kim Yong-sam, also defined the local elections as a mid-term referendum on the Kim presidency.

In the face of the tough opposition offensives, President Kim and other DLP leaders raised the issue of a generational change of politicians, terming both Kim Tae-chung and Kim Chong-pil "old guards" who stand in the way of the development of local autonomy and South Korean politics at large.

The partisan bickering took on an increasingly uglier face in the days leading up to the ballot casting as candidates and party leaders went all out to assault their rivals, resorting to mudslinging.

"It looked like a proxy war among President Kim, Kim Tae-chung and Kim Chong-pil," said Prof. Kim of Korea University.

Yi Se-Chung, a respected lawyer, said that he is afraid that "the irresponsible behavior and remarks" of the politicians may do harm to the future of the fledgling local autonomy.

"It is regrettable that political parties took an excessive part in the local elections, tainting their goal to choose servants for each region," Yi said.

For all the dark sides of Korean politics exposed during the campaigning, Yi and others who closely watched the electioneering agree that the local elections did not go without some bright sides.

One of the good grades goes for the fact that the electioneering, partly because of the new election laws enforcing a strict ceiling on each candidate's campaign spending, saw few large-scale vote buying scandals.

"Compared to past elections, the campaigning was relatively clean and the civil service stood on the neutral line," Prof. Cho Chang-hyon of Hanyang University said. "It is a positive development."

President Kim, who engineered enactment of political and election reform bills last year, repeatedly said that he wants to pull off an "electoral revolution" at the local elections by ensuring fair and clean campaigns.

About 140 people have already been arrested on charges of illegal campaign activities and authorities indicated that a number of successful candidates, including mayoral and gubernatorial contestants, may have their election nullified.

The local elections marked the first time that television has taken an important role in electioneering, which analysts said opened the age of "telecracy" in South Korea.

For the first time in Korean history, rival candidates held television debates. In Seoul alone, the three leading mayoral candidates participated in five debates on the tube.

The television debates contributed to raising voters' interest in the elections and helped redress the problem of mass campaign rallies on which major parties depended during the past elections, the analysts said.

Officials on Completing Counting

SK2806013395 Seoul THE KOREA HERALD in English 28 Jun 95 p 2

[FBIS Transcribed Text] Election management officials estimate that it will take about 30 hours to count all the ballots cast in the local elections yesterday.

According to their estimate, the ballot counting, which started at 7 p.m. yesterday, is to be finished by 1 a.m. tomorrow morning [1600 GMT 28 June].

The ballot counting hours are nearly twice as long as those for the presidential and parliamentary elections in 1992.

A total of 115,606 people were counting the votes for the local elections, compared with 30,800 in the December 1992 presidential election.

In an effort to speed up the vote counting, the Central Election Management Committee (CEMC), the nation's top election watchdog body, has equipped the vote-counting stations with some 5,000 machines used for bank note counting.

Electoral districts with more than 100,000 voters, numbering 92, have operated two ballot-counting places and the other 192 districts one place. Two ballot-counting places have been set up in all of the 44 electoral districts in Seoul.

Successful candidates for councils of metropolises and provinces were to emerge by 3 to 4 a.m. today, with those for mayoral and gubernatorial posts coming within sight hours later.

Successful bidders for administrative and council seats at lower-level administrative units will be known by 5 p.m. today.

The vote counting will fall behind schedule if there is a hitch in the computerized ballot counting system first introduced by the election management body.

Election Affects Opposition Future

SK2806023195 Seoul THE KOREA HERALD in English 28 Jun 95 p 2

[FBIS Transcribed Text] A generational change in leadership, equal rights for regions and constitutional revision were the major campaign themes during the local elections.

Despite their rhetoric, these campaign themes boiled down to the question about whether or not two Kims—Kim Tae-chung and Kim Chong-pil—will be given a chance to succeed President Kim Yong-sam as the nation's top leaders.

Both the ruling and opposition parties believe that the outcome of yesterday's local elections will have great influence on the political future of the two Kims, both 69.

The ruling Democratic Liberal Party, which is headed by President Kim, is fighting against the idea of either of the two Kims or both of them becoming the top leader or leaders of the nation.

The result is the ruling party's advocacy of a generational change—the emergence of a new national leader, preferably from the ruling party with President Kim's blessing.

While calling for a generational change in the 1997 presidential election, ruling party leaders have denounced the two Kims' struggle for power as old men's unrestrained greed.

Against this backdrop, the two Kims are courting each other for possible alliance against President Kim — Kim Tae-chung, former leader of the main opposition Democratic Party, with what he calls equal rights for regions, and Kim Chong-pil, president of the splinter United Liberal Democrats, with constitutional revision in favor of the cabinet system of government.

Kim Tae-chung, who has dominant support from voters in and from the Cholla provinces and Kwangju, proposes regions be given equal rights and that political parties representing those regions cooperate to prevent any of them from gaining hegemony in national politics.

Kim Tae-chung's proposal is directed to Kim Chong-pil, who resigned as chairman of the ruling party after being estranged from President Kim several months ago and left the party to create his own party.

Kim Chong-pil, whose power base is the Chungchong provinces and Taejon, the region where his home is, is promoting the revision of the Constitution to replace the presidential system of government with the cabinet system.

To embrace Kim Chong-pil, who used to be a kingmaker, Kim Tae-chung softened his stance on the cabinet system when he said it is time to gather public opinion about it and that he will not oppose it if the public support it. He appears to believe he can share power with Kim Chong-pil under the cabinet system.

Kim Chong-pil, who had helped the late President Pak Chong-hui take power in a military coup in 1961 and maintain his grips on it for 18 years, joined hands with former President No Tae-u and Kim Yong-sam for a three-party merger in 1990, which paved the way for President Kim to be elected in 1992.

Whether or not Kim Tae-chung will be able to establish a common front with Kim Chong-pil against President Kim and his party depends to a great extent on the outcome of the local elections, the election of the six metropolitan mayors and the nine provincial governors in particular.

The outcome will prove whether or not the nation's political map is divided into several power blocs as Kim Tae-chung and Kim Chong-pil promoted during their election campaigns. By extension, the outcome will also influence the parliamentary elections scheduled for next April and then the 1997 presidential race.

If President Kim's Democratic Liberal Party is to block Kim Tae-chung's foray into the political limelight, it would have to win seven or more of the 15 metropolitan mayoral and provincial gubernatorial posts, political analysts say.

Such a showing would demonstrate the ruling party is nationally represented despite its setbacks in some regions.

On the other hand, the analysts say, the main opposition Democratic Party needs four or more such posts if it is to pave the way for Kim Tae-chung's comeback from his semiretirement during the past two-and-a-half years and mount its challenge against the ruling party in the 1997 presidential race.

Even if it attains its goal of winning four or five posts, the main opposition party would still need support from Kim Chong-pil and his United Liberal Democrats Party for its fight against the ruling party.

The outcome of the local elections is no less important to Kim Chong-pil, who wishes to become a power broker again.

If he is to have leverage in engineering political realignment in the nation, the United Liberal Democrats need to win at least four metropolitan mayoral and provincial gubernatorial posts, according to political analysts.

Then it will be able to make up for its weakness in the National Assembly to a certain extent. The United Liberal Democrats has 21 seats in the National Assembly against 169 for the ruling Democratic Liberal Party and 98 for the main opposition Democratic Party. Nevertheless, it would have to take sides either with the ruling party or the main opposition party if politics.

Instead of attempting to mend fences with the ruling party, the splinter party is expected to ally itself with the main opposition party, according to political analysts.

Postelection Political Situation

SK2806092495 Seoul HANGUK ILBO in Korean 28 Jun 95 p 3

[Article by I Yu-sik]

[FBIS Translated Text] The 27 June local elections are historically and politically significant as local autonomy will be comprehensively implemented for the first time in 34 years. The results of the elections forecast the approach of a great whirlwind in the political sector in the future, while creating "a new structure characterized by a small ruling camp and a large opposition camp." The election results put the Democratic Liberal Party [DLP] in a position in which the ruling camp's leadership and its capability to control the political sector will be seriously threatened due to its surrender of major strategic positions, such as Seoul and Kangwon Province, to the opposition camp.

Of course, the leaders of the ruling camp appear not to be paying much attention to the results of the elections, while defining the elections merely as nonpolitical elections to select local administrators; giving a limited meaning to the elections. The allegation by the ruling camp is that the inauguration of the "local governments" does not necessarily mean a distribution of central power and that the local, autonomous administrations cannot have "an independent status."

Nonetheless, from the beginning the ruling and opposition camps have been engaged in extreme confrontation as if they had been waging a zero-sum game, while the latest elections took on the nature of a proxy war of the central political circles. Under these circumstances, the results of the latest elections should be seen from such a viewpoint. For example, we should focus our attention concerning the future development of the political situation on such questions as how the relationship between the ruling and opposition camps will change; in which direction the pendulum of political leadership will move; and what kind of restructuring process the political circles will undergo in the future.

Among other things, it will be no exaggeration to say that a factor in determining the future direction of the political situation will be how the relationship between the so-called three Kims — President Kim Yong-sam; Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation; and Kim Chong-pil, president of the United Liberal Democrats [ULD] — will change. In particular, Chairman Kim Tae-chung's idea of advocating equal rights among the regionally based political parties and ULD President Kim Chong-pil's advocacy of a constitutional revision for a parliamentary government system have "successfully" realized a regional distribution of power, while achieving a subtle consensus between the two during the period of the elections. As a result, we can say that the likelihood of solidarity between these two Kims has been further increased.

In addition, we cannot turn a blind eye to the fact that "semi-independent" local governments will emerge, regardless of the will of President Kim Yong-sam, who has minimized the significance of the local elections; and that the emergence of such local governments will reduce the ruling camp's ability to control the country's political situation and will touch off a division in ruling circles. We saw a considerable amount of the ruling camp's ability to control the political situation sag early this year in the ruling party's process of nominating candidates for the elections. The results of the latest elections are expected to serve as a factor that will further amplify the ruling camp's inability in this regard.

Furthermore, whether the Kim Yong-sam government likes the results or not, the results of the elections midway into the Kim administration are basically a midterm evaluation of his administration. Thus, it is expected that such results will presumably result in a lame-duck Kim administration earlier than expected and will affect even the general elections in 1996 and the presidential election in 1997. In other words, the DLP lawmakers who belong to the faction affiliated with the now-defunct Democratic Justice Party and who have felt isolated and discontented with President Kim Yong-sam's style of managing the DLP, will further show a separatist trend, while being greatly agitated by the results of the elections. This will shrink the scope of the ruling party's ability to manage state affairs during the latter half of the Kim administration.

In the meantime, it will be difficult for the Democratic Party [DP], which will hold a national convention in August 1995, to remain unaffected by the latest elections. For the present, Chairman Kim Tae-chung has expressed open ambition for political power, while claiming to be the virtual "owner" of the DP. As a result, DP President Yi Ki-taek has been placed in a sensitive position. In addition, we note the attitude of DP Vice President Yi Pu-yong and others who openly criticized Chairman Kim's idea of advocating equal rights among the regionally based political parties.

Under these circumstances, the 27 June local elections will serve as decisive momentum to accelerate the restructuring of the political sector, as well as being historically significant. It is also highly likely that the future political restructuring will not only bring about a change in the relationship between the three Kims, but also a wide-ranging change, such as shifting alignments among politicians in the ruling and opposition camps and the emergence in the political arena of a new, reform-minded group of politicians calling for the abolition of regionalism and for generational changes. It is also expected that the question of constitutional revision toward a parliamentary system, too, will quickly emerge as an issue in the political sector.

In the final analysis, the latest local elections, which were conducted as a political experiment in accordance with the combined election law, have provided a new opportunity for Chairman Kim Tae-chung and ULD President Kim Chong-pil, while decisively shaking the central axis of the future political situation. The latest elections have strained the relations between the ruling and opposition camps, resulting in many factors of instability and conflict as far as the future political situation is concerned.

Editorials Assess Significance

SK2806073695

[FBIS Editorial Report] The following is a compilation of editorials published in ROK vernacular dailies on 28 June following local elections which were conducted on 27 June for the first time since 1961. All dailies gave a generally positive assessment of the local elections process, but targeted certain areas that they feel need improvement.

The moderate TONG-A ILBO carries on page 3, an 800-word editorial entitled, "New Era of Localization" which welcomes the opening of the age of local autonomy following the 27 June elections. Noting the historic significance of the local elections, the editorial urges elected candidates to make efforts to implement the public commitments they made during the election campaign, and urges people "to dispose of ill will" created from interparty feuding, and regional rivalries, for the "blessed inauguration of the local autonomous system."

The moderate HANGUK ILBO carries on page 3, an 800-word editorial entitled, "Possibility for Fair and Just Elections." The editorial notes the improved manner of voters and candidates in the elections process as shown in the recent elections, but at the same time, points to the hundreds of candidates and campaigners who were booked or placed under arrest during the campaign period for illegal campaigning and evasion of the law, to stress that "we are still far from completely fair and just elections."

The moderate KYONGHYANG SINMUN carries on page 3, a 700-word editorial entitled, "Tasks To Be Implemented Following Elections." Expressing satisfaction at the conclusion of the elections "without any particular problems," the editorial targets the following tasks for implementation following the elections: "stern punishment" of violators of the election law; appropriate "amendment of the new election law"; "empowering localities with appropriate authority" to successfully start an era of local autonomy; and the "early stabilization of local administration by performing an early reshuffle of senior local government officials."

The left-leaning HANGYORE SINMUN carries on page 3, an 800-word editorial entitled, "The Local Autonomy Era Has Opened." The editorial voices appreciation for the "stabilization of politics with the participation of citizens" and the "commendable election manners that can change our political culture" shown during the elections process, but notes with regret that "chronic ills such as personal abuses and propaganda slandering rival candidates" still remain. The editorial also pinpoints the "lack of means for the people to verify the qualification of candidates to councilorships of smaller administrative districts due to biased public opinion regarding the election of heads of metropolises and provinces and heads of smaller administrative districts." The editorial also expresses dismay over the "extremely heated campaigning" toward the actual day of elections, which was spurred on by regionalism and the prevalent view that the 27 June elections would serve as an "interim assessment" of the current regime.

The conservative CHOSON ILBO carries on page 3, an 800-word editorial entitled, "Public Opinion Census in Question," which criticizes the announcement of the results of exit poll surveys as having had "considerable direct or indirect influence upon the voters" and calls for the punishment of the wrongdoers for generating such unreliable results. The editorial suggests that Koreans follow the example of foreign countries by making the results of polls during the election campaign period available immediately to the public.

The pro-government SEOUL SINMUN carries on page 3, a 700-word editorial entitled, "Elections Successful, But System Needs Supplementation." Assessing the local elections as the "first step in election reforms," the editorial expresses appreciation for the elimination of such expressions as "money-led and government-led elections," which were "the result of the ruling party's determination and will." The editorial, however, notes regretfully that opposition party leaders again brought up and revealed our society's backwardness by encouraging regionalism and "to smear the nature of local elections." The editorial concludes by suggesting a review of the proposal to adjust administrative and electoral districts and urges looking into means for achieving the financial independence of localities.

The moderate CHUNGANG ILBO carries on page 5, a 700-word editorial entitled, "Regionalism's Serious Fixation." The editorial expresses concern about "fixated regionalism and political rivalries which were apparent in the 27 June elections" and about the ROK political situation which has regressed with the "reenactment of the three Kims-structure with Kim Yong-sam of Yongnam [South and North Kyongsang Provinces], Kim Tae-chung of Honam [South and North Cholla Provinces], and Kim Chong-pil of Chungchung [South and North Chungchong Provinces]." The editorial says the result of the elections — fixation of regionalism and the political structure of a minority ruling party and majority parties — is "an expression of the people's strict assessment of the Kim Yong-sam government." The editorial then urges the government to "seek new strategies for managing state affairs that is a rational system of shared roles between the central and local governments."

Kim Yong-sam Expresses Satisfaction

SK2806051595 Seoul YONHAP in English
0458 GMT 28 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — President Kim Yong-sam on Wednesday expressed satisfaction with the just-concluded local elections, saying that they have laid "a foundation for election revolution."

Kim told his senior secretaries in a meeting at Chongwadae [presidential offices] Wednesday morning, "In the local elections the ruling party observed the election law strictly, eliminating controversies about the administration's meddling in elections and vote buying. In this respect, the local elections have laid a foundation for election revolution and I find it rewarding."

Presidential Spokesman Yun Yo-chun quoted Kim as urging the senior presidential secretaries to exert themselves "so that our politics may develop further through an effective settlement of the local autonomy based on democracy of the grass roots."

The chief executive also said he had "pride" in that local autonomy, suspended by the 1961 military coup d'etat, has been restored during his tenure.

President Kim thanked people who prepared for the elections and administered voting and ballot counting and the policemen who maintained security during the elections.

President Said Not Considering Cabinet Reshuffle

SK2806064595 Seoul YONHAP in English
0637 GMT 28 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — President Kim Yong-sam is not considering a shakeup of the cabinet or the key post holders of the ruling Democratic Liberal Party (DLP) in connection with the outcome of Tuesday's local elections, a senior Chongwadae [presidential offices] official said Wednesday.

"I understand President Kim believes that the recent elections were merely local elections and, as a result, no one in the ruling camp should be held responsible," the official said.

He said President Kim won't allow Chairman Yi Chun-ku and other key DLP officials to resign. "Even if they tender their resignations, President Kim would not accept them," he said. President Kim is concurrently the head of the ruling party.

The official also said there will be no change whatsoever in President Kim's ruling mechanism in connection with the election outcome.

Meanwhile, Pak Pom-chin, spokesman for the ruling party, said in a statement it was unfortunate that the inherent meaning of the local elections was heavily marred and the sense of regional rivalry was deepened due to agitation by some politicians during the electioneering.

But emerging from a DLP post-election meeting, Pak said his party notes with satisfaction that there were no instances of government interference or acts of vote-buying in the elections held under the newly-integrated Election Law.

"Since the local elections were designed to choose those who would take care of the local administration, we believe all the regions selected proper directions for their regional development," he said.

Earlier in the day, DLP Chairman Yi Chun-ku said his party did its best under the given conditions. "It is important for us to have the constructive position of accommodating the will of the people as displayed in the elections," he said.

Saying he regrets some political leaders attempted to abet the sense of regional rivalry during the elections for their individual political gains, Yi said "We tried to prevent it but it was regrettably in vain."

DLP Secretary-general Kim Tok-yong said that as a man who took charge of DLP election affairs, he apologized to the party president for the outcome of the elections.

Spokesman Pak said the DLP meeting did not discuss anything about possible resignation by party post holders. "We won't tender resignation nor would there be any disciplinary steps against key party officials," he said.

DP-ULD 'United Front' Possible Against Kim

SK2806083095 Seoul YONHAP in English
0743 GMT 28 Jun 95

[Article by Kim Myong-chol: "Local Elections Provide for Kim Tae-chung-Kim Chong-pil Political Tie-up"]

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The opposition victory in Tuesday's local elections has laid the groundwork for the two Kims — former Democratic Party (DP) leader Kim Tae-chung and United Liberal Democrats (ULD) President Kim Chong-pil — to form a united front against President Kim Yong-sam in next year's general elections. Whether they will form an anti-Kim Yong-sam coalition on the basis of the parliamentary cabinet system of government and the "regional equality" they called for during the campaign, is being keenly watched.

The opposition won 10 of the 15 mayoral and gubernatorial posts contested in the elections. The DP captured four — Seoul, the biggest bout in the elections, and North and South Cholla Provinces and Kwangju — cementing its position as the main opposition party. The ULD also won four — Taejon, North and South Chungchong Provinces and Kangwon Province — to emerge as a new opposition force.

Riding the anti-DLP [Democratic Liberal Party] sentiment, independents swept Taegu and Cheju. The DLP got only five — Pusan, Inchon, Kyonggi, and North and South Kyongsang.

What makes the DP optimistic is not the four mayoral and gubernatorial posts, but "the Seoul republic" that it recaptured in the first local elections reinstituted in 34 years.

And the DP is greatly indebted to Kim Tae-chung for its victory in Seoul. Kim, serving as chairman of the Asia-Pacific Peace Foundation, virtually managed the DP's Seoul mayoral election campaign, defying the criticism that he was maneuvering to return to politics. Kim resigned from the political scene following his defeat in the 1992 presidential elections. And it was none other than Kim who had the party nominate Cho Sun as its standard-bearer in the election. And he succeeded in making Cho defeat his formidable rival, independent candidate Pak Chan-chong.

Thus, analysts observe that the DP's victory in Seoul has provided an important stepping stone for Kim Tae-chung to formally return to politics. The victory has confirmed Kim's position as "the controlling shareholder" in the DP, and what course of action this controlling shareholder will take is a matter of interest to political analysts.

On the other hand, DP President Yi Ki-taek will face a leadership problem after the elections. He turned down Kim Tae-chung's recommendation of Yi Chong-chan for the party's standard-bearer in the Kyonggi governorship election, and rather chose to support his friend Chang Kyong-u. But Chang lost in the election and Yi must now account for the party's defeat in the Kyonggi governorship election.

But Yi is known to make decisions on what course of action to take after an overall assessment of the local elections. His aide said, "Depending on how the party assesses the elections as a whole, he may remain in the party as an ordinary member or he may make an important decision."

Yi's future course of action appears to be closely related to Kim Tae-chung's post-election political plans. If Kim wants him to continue leading the party, his relationship with Kim will improve.

But Kim is known to have decided to take away from Yi the helm of party affairs. It is highly likely that in the party's national convention slated for late August, Kim and his followers will replace the position of the DP leader.

One of Kim's close associates said the Kim-Yi relationship has crossed the river of no return, adding Kim will conceive a grand plan for the future of the DP.

Will Kim Tae-chung and Kim Chong-pil cooperate? There is a possibility of political cooperation between them, as they helped each other during the campaign period, analysts observe.

The DP won the Cholla area and Seoul in the local elections, but Kim Tae-chung feels the need for the DP to expand the sphere of its influence, which is still limited to Cholla area, to topple the Kim Yong-sam government.

The ULD succeeded in building its political base in the Chungchong and Kangwon area. But the ULD as an emerging party under Kim Chong-pil's leadership has no resources of taking over power.

Thus viewed, the political interests of the two Kims are in agreement, at least on the surface.

Just before the general elections slated for next year, they will join together in a call for constitutional amendments to replace the existing presidential system of government with the cabinet system, analysts observe.

One of Kim Tae-chung's followers said, "Whether or not the Constitution should be amended will become a political issue when the general elections are around the corner."

At present, the DP's platform is for the presidential system, but the party may change this platform and refer the new one to the next general elections for public approval.

But there is a slim possibility that Kim Tae-chung will bear the brunt of a move to make such a change.

Kim has repeatedly said he helped the DP in the local elections as one of the party members. So, he will continue to stick to his job as chairman of the Asia-Pacific Peace Foundation, not openly meddling in party affairs, for some time to come, according to his followers.

Kim will continue to manage the DP not through Yi Ki-taek but through a new leader replacing him, and will study when and how he should return to politics while observing the movements of public opinion on constitutional amendments and Kim Chong-pil's political moves, analysts say.

Kim Chong-pil was active toward political cooperation with Kim Tae-chung during the elections, but some analysts view that the ULD will seek a course of action other than the cooperation with Kim Tae-chung's DP. It may try to expand its influence by attracting some dissident DLP members and independent politicians.

The possible Kim Tae-chung-Kim Chong-pil cooperation, Yi Ki-taek's possible descent from the DP leadership and the DP-ULD race for influence expansion will mark the post-elections opposition camp.

Cho on Opening Seoul's Administration to Citizens

SK2706232495 Seoul YONHAP in English 2119 GMT 27 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — Cho Sun, who is certain to be Seoul's mayor elect, said Wednesday that he will open the city's administration to citizens in order to manage the city with their voluntary participation and cooperation.

In an early morning press conference held Wednesday, the main opposition Democratic Party [DP] candidate said that he will form a personnel management committee to manage personnel affairs fairly and on the basis of objective data.

"I will also eliminate all kinds of corruption to enhance the productivity of the city's administration," he emphasized.

As of 5:30 AM [2045 GMT 27 June] Wednesday, he had taken a commanding lead over independent Pak Chan-chong, winning 42 percent of the ballots counted.

The former professor and deputy prime minister said that although the DP formally recommended him as their candidate for Seoul mayor, it is Seoul citizens that elected him.

"Since I was elected by Seoul citizens, I will manage the city administration for the sake of the citizens' welfare and interests," he said.

As the most difficult thing he was forced to cope with during his campaign, Cho pointed out "malicious propaganda" produced by the ruling Democratic Liberal Party (DLP).

"Only three days before the local elections, the ruling party began to make false propagandist statements against me. That was the most difficult thing I was forced to endure. I lament rather than resent the malicious propaganda which appeared at the end of campaign period," he said.

About the support of Kim Tae-chung, chairman of the Peace Foundation for the Asia Pacific Region, he said that Kim's support played a significant role in his victory.

"But will not consider doing anything contrary to the proper principles, only for the sake of a particular individual," he said.

Mayor-Elect Mun Pledges To Reform Pusan System

SK2706232995 Seoul YONHAP in English 2214 GMT 27 Jun 95

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — "I'll reform the whole system of the city in such a manner that Pusan will grow into an international city in the 21st century," said Pusan Mayor-elect Mun Chong-su in a press interview Wednesday morning when his election was confirmed.

"As a mayor for the citizens, I'll do the utmost of my power to solve the city's pressing issues, such as traffic congestion, in close cooperation with the central government and to prepare the 2002 Asian games thoroughly, as I pledged."

He said he, as a new mayor, would give top policy priority to such urgent issues as traffic jams and pollution, rather than trying to solve all the problems.

He added he would do his best to prepare the venues and other facilities for the Pusan Asian Games so that the games will promote the city's international reputation.

Mun thanked the four million Pusan citizens for electing "a powerful mayor" who can develop the city in cooperation with the central government.

The election campaign as a whole was marked by personality confrontation, not by policy confrontation, and the opposition's appeal to regional sentiments, and this posed difficulty in his policy-based campaign, he remarked.

Cambodia

Preferential Trade Terms Sought From ASEAN

BK2706153895 Bangkok BANGKOK POST in English 27 Jun 95 p 10

[Report by Nutsara Thaithawat in Phnom Penh]

[FBIS Transcribed Text] Cambodian Foreign Minister Ing Huot yesterday called on the Association of Southeast Asian Nations to extend preferential trade treatment to Cambodia to help strengthen its position to join ASEAN as a constructive member in due time.

Mr Huot said Cambodia was willing to make the effort to adjust to ASEAN and its proposed ASEAN Free Trade Area (AFTA).

He said: "We understand that there are a considerable number of adjustments which will have to be made before Cambodia and our neighbours can join AFTA, but the Cambodian government is prepared to make that effort.

"I also believe that the integration of Cambodia in ASEAN could be significantly facilitated if ASEAN could consider providing Cambodia preferential treatment in terms of trade.

"This would assist the country to move more quickly into ASEAN as a full-fledge member."

Mr Huot was speaking at the opening of a two-day conference on "The Treaty of Amity and Cooperation in Southeast Asia: Cambodia's Contribution to Peace and Stability in the Region" organised by the Cambodian Institute for Cooperation and Peace with funds from the German foundation Friedrich Ebert Stiftung.

Cambodia acceded to the Treaty of Amity and Cooperation, the legal framework of ASEAN, on January 25 and will ratify it on July 28 during the annual meeting of the ASEAN foreign ministers in Brunei, officially becoming an observer.

Mr Huot said Cambodia was "very happy" at being accepted as an observer and expressed confidence that the country will be a contribution to peace and stability in the region.

He said Cambodia has already made its first contribution, though "a passive one," by shedding its long-time status as "the Cambodian problem" and a "geopolitical running sore" which has affected the region during the past decades.

"So, this is the first contribution which Cambodia has made to the peace and stability of our region: freedom from having to live with a possible flashpoint of international conflict."

As for the active contribution, Mr Huot proposed Cambodia as part of a regional economic restructuring under which it can become an agricultural base for ASEAN countries which are moving on to high-tech areas.

He said Cambodia also wanted to strengthen subregional activities in political determination and settlement of disputes.

As to when Cambodia will want to become a full member of ASEAN, Mr Huot said during a question and answer session:

"We have to be careful not to rush into full membership yet. We have to get ourselves ready in terms of training and infrastructure. We have to be fully prepared," he said.

Khmer Rouge 'Minister' Condemns SRV 'Control'

BK2806021195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 26 Jun 95

["News conference" by Mak Ben, minister in charge of rural areas, agriculture, and water conservancy and representative of the Provisional Government of National Union and National Salvation, with unidentified correspondents on 26 June; place not given — recorded]

[FBIS Translated Text] [Mak Ben] My respects to all my compatriots. On Monday, 26 June, the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] closely examined and discussed the leadership of the Communist Party of Vietnam [CPV] in Cambodia. The cabinet concluded that Cambodia presently is under the exclusive, dictatorial, and fascist control of communist Vietnam's regime. The two-heads are in reality single-headed, that is, they are being headed entirely by communist Vietnam. There are no kingdom, constitution, rights, or democracy; there are only communist Vietnam and its puppets, who are exclusively and dictatorially controlling every sector and field. The structure of the People's Republic of Cambodia that communist Vietnam set up in 1979 has remained entirely and totally intact and unchanged. Communist Vietnam is the exclusive, dictatorial, and fascist master of Cambodia, ruling it through a network of leadership and organization in all sectors and aspects — military, police, and civilian — all placed under the command of its CPV in Cambodia.

In Phnom Penh, to provide leadership for the whole country, communist Vietnam set up a CPV committee under the direct responsibility of Le Duc Anh. This guy acted as the commander of the Vietnamese aggressor army in Cambodia for 10 years and is now Vietnamese president in Hanoi. The CPV committee in Phnom Penh controls the puppet party and state authorities. It runs and commands the two-heads in all ministries and departments. The two-headed National Assembly and two-headed tribunals are merely theaters and circuses functioning under the wand of communist Vietnam. The soldiers, policemen, communist Vietnamese sappers, and all the apparatuses for repression and incarceration are firmly under CPV control.

In the provinces, districts, communes, and villages, CPV committees and chapters are leading puppet party committees and authorities at all levels and in all sectors and aspects.

1. It is all these CPV networks that have generated energy to fuel the war of aggression against Cambodia so that there can be no peace and national reconciliation in this country.

2. They are the ones who prepare the ground for the influx of more than 4 million Vietnamese nationals coming to our country to plunder our land, paddies, orchards, rivers, lakes, ponds, businesses, and all other economic resources.

3. They are the ones behind the scene who have pulled the string on their two-headed puppet cat's paws to carry out fascist acts of repression, suppression, incarceration, and assassination against the people, the masses, personalities, journalists, and anyone who refuses to kowtow to them and become communist Vietnamese puppets.

4. The CPV has engineered impoverishment and famine to starve our people.

5. Brothels, lairs of thieves and robbers, and dens for gambling, narcotics, casinos, and all other vices are parts of the schemes and activities devised by the CPV to poison and corrupt Cambodian society.

The truth is communist Vietnam already lost its war in Cambodia in 1989 when the Soviet Bloc and Warsaw Pact collapsed. However, the alliance and UNTAC [UN Transitional Authority in Cambodia] joined hands with communist Vietnam in pursuing the strategy of continuing the war in their scramble for benefits at the expenses of the Cambodian nation and people. UNTAC and the alliance have unreservedly participated in all these evil acts together with communist Vietnam.

The truth is communist Vietnam's war of aggression should have ended, but it has not ended yet. Why? It is because UNTAC and the alliance joined communist Vietnam in sabotaging the Paris accord by holding elections under communist Vietnam's puppet regime, coalescing the two-heads, and continuing to ignite the war against the Cambodian resistance forces, nation, and people.

However, when confronted with the situation where the old and new enemies were embarking on an anti-Cambodian strategy, our nation and people have risen up and struggled against these old and new enemies, fighting persistently and resolutely until the enemies are bogged down and driven into a total and complete impasse in all sectors and aspects — political, economic, financial, social, security, corruptionwise, and military.

The concerted struggle waged in all fields — military, political, diplomatic, and economic — and in all forms — including sweeps against the communist Vietnamese puppets' commune and village administration — has continued both overtly and secretly for 13 years exclusively against communist Vietnam; for two years against UNTAC, communist Vietnam, and the alliance; and for another two years against the two-heads, communist Vietnam, and the alliance. This clearly shows that our nation and people are fighting for national salvation and are very confident in their struggle until genuine national reconciliation, national unity, and peace are achieved, and it also shows that they have a legitimate national pride.

As for our National Union Party [NUP] and PGNUNS, their stance is that they unite with the entire nation and people both at home and abroad, in the countryside and Phnom Penh in a push toward national reconciliation, toward ending communist Vietnam's war, and toward solving the issue of the 4 million-plus Vietnamese immigrants; Cambodian affairs should be handled by Cambodians; foreigners have no right to interfere; and Communist Vietnam and all its aggressor forces must leave Cambodia. The NUP and PGNUNS clearly stress that Cambodia's current problem remains one about communist Vietnam, Vietnamese immigrants, and the communist Vietnamese puppets. This is the root cause, the fundamental cause. It is not a problem between Cambodians, not at all. As for those in the alliance, they have stooped very low in front of communist Vietnam in a bid to worm their way into Cambodia. However, even before they managed to set foot here they saw their men decimated and their money stolen by communist Vietnam and its puppets.

Therefore, to solve the Cambodian problem, we must solve its root cause first; that is, we must deal with the CPV networks in Phnom Penh and those in the provinces, districts, communes, and villages. The members of these CPV networks live in boats on the Basak and Tonle Sap Rivers; in Phnom Penh's suburbs, such as Chhba Ampeou, Ta Khmau, and Chrouy Changva; in the market places, hiding in second-floor apartments and in various companies; and so on. It is these CPV networks that lead the political bureau members of the communist Vietnamese puppet party — namely, Hun Sen, Chea Sim, Sar Kheng, Tie Banh, and Pol Saroeun. These guys, in turn, lead and direct the two-headed government, two-headed National Assembly, two-headed army, two-headed police, and two-headed administration from Phnom Penh to the provinces, districts, communes, and villages, as well as all their organizations and ministries. The two-heads are merely a cover. The real authority is wielded by the CPV, the communist Vietnamese puppet party, and the authorities at all levels, both civilian and military.

These are the main points raised at the PGNUNS cabinet meeting on 26 June that I would like to relate to all my compatriots.

[Correspondent] Thank you, Excellency. I represent PGNUNS radio. I have one question to ask: In the situation where the two-heads have been dealt a crushing defeat and where they are reduced to just one head — that is, the CPV — what good is the Western alliance's aid to the two-heads?

[Mak Ben] Right, the situation of the two-heads is one in which they have fallen into a position of defeat, a position of death from which they cannot extricate themselves. At first, the alliance very enthusiastically came to their rescue but it has now lost much of the fervor because the two-heads have proved to be utterly corrupt and worthless. They have been losing all their battles and collapsing by chunks. Even if the alliance continues to give them crumbs and leftovers, it will do no good. It cannot save the two-heads. The aid has fallen into the hands of communist Vietnam and its puppets only. FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the paras [Khmer People's National Liberation Front] have completely dissolved. Truth shows that Cambodia having peace and national reconciliation is 1 million times preferable to war; it is in everybody's interest, including the world's and those of all countries concerned.

[Correspondent] Thank you, Excellency. Good-bye.

Khmer Rouge Claim SRV Behind Rangsi Expulsion

BK2706140995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 26 Jun 95

[Unattributed commentary]

[FBIS Translated Text] The puppet Loy Simchheang [first vice chairman of the National Assembly] played the role of a clown in eliminating Sam Rangsi by expelling him from the assembly on 22 June. The masses in Phnom Penh and observers in general, however, say the topmost ringleader of the goons pulling the strings behind the scenes was Communist Vietnam.

According to a reliable source, [SRV President] Le Duc Anh, an arch-war criminal in Cambodia, sent a Communist Party of Vietnam [CPV] representative named (Danh Van Sai) to Phnom Penh on 20 June to order the expulsion of Sam Rangsi personally. (Danh Van Sai) had the definite task of implementing the CPV Politburo's decision. He had to expel Sam Rangsi from the assembly to eliminate and stifle others and keep them from remembering things like national reconciliation and peace.

It was (Danh Van Sai) who ordered the group of puppets — Hun Sen, Chea Sim, and Sar Kheng — to do this and that and to instigate the ghoulish Ranariddh to act in an even more clownish way. This is why they did not care in the least about opposition and protests in circles at home and abroad or the flagrant violation of legal principles. Communist Vietnam violates every law and agreement, including the Vietnamese-U.S. Paris agreement of 27 January 1973. It committed a gross violation of Cambodia's independence, sovereignty, and territorial integrity and of international law by invading the country at the end of 1978. It also encroached and trampled upon the subsequent 1991 Paris accord on Cambodia.

According to informed sources in Hanoi, the CPV Politburo made a decision on this matter long ago, after seeing that its lackey puppets were moving toward total collapse in all fields and sectors — politically, militarily, economically, and socially. Students, journalists, civil servants, and political figures as well as peasants came to Phnom Penh in force to stage all forms of protest against the two-headed government. The protests sparked a movement to oppose the presence of the more than 4 million Vietnamese and the two-headed government's policy of fuelling the war, corruption, plundering land, and starving the people.

Thinking that if it was left untouched the movement would grow bigger and bigger and would subsequently affect its Indochinese Federation strategy, Communist Vietnam decided to eliminate it at once. This is the real root cause; the ghoulish Ranariddh and the others were only jerked by strings pulled by Communist Vietnam and its puppets.

Nevertheless, political analysts inside and outside the country say this grossly barbaric measure can never extinguish the hatred of the Cambodian nation and people. On the contrary, the action will make the Cambodian nation and people as well as people the world over join hands more closely and fight them more vigorously and more deeply.

In sum, the ringleaders of the clique that expelled Sam Rangsi was Communist Vietnam and its puppets. The expulsion does not stem from an internal conflict within the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] as they have deceptively claimed. The cause of the expulsion is that Communist Vietnam and its lackey puppets have been defeated; they have become wild and fascist and are biting others like mad dogs. All in all, the more fascist and wild they become, the more they will be isolated and defeated. They will continue to lose until they are completely crushed by the entire Cambodian nation and people and the international community in the near future.

Villagers Flee Expected Khmer Rouge Offensive

BK2706120395 Hong Kong AFP in English
1112 GMT 27 Jun 95

[FBIS Transcribed Text] Sisophon, Cambodia, June 27 (AFP) — More than 20,000 villagers have fled their homes along National Route Five in northwestern Cambodia fearing an imminent Khmer Rouge offensive, government officials and aid workers Tuesday. [sentence as received]

Over the past 12 days, 2,400 families, many comprising as many as 10 people, have left Poipet, on the Thai border, and Dong Aranh village, east of Poipet, headed for Sisophon about 51 kilometers (about 30 miles) further east, they said.

Though the market in Poipet is still open, 50 percent of the population of the town has left, according to a United Nations Development Program report seen by AFP.

Resettlement camps in Sispohon, closed since 1993 when the last Cambodian returnees were placed around the country, have now been reopened to deal with the new flood of internally displaced persons (IDPs), said Sophal Chhor, the administrative director for CARERE, the Cambodian Resttlement and Reintegration project.

"From experience (with IDPs) we know that sanitation will be a problem and because of this we can't put them all in the same spot, we have to disperse them (onto the old camp sites)," he told AFP.

IDPs have also been placed in temples around Sisophon, with more than 1,000 families camped at Wat Svay, he said.

Khmer Rouge guerrillas over the past two weeks have shelled and mounted attacks up and down Route Five between Poipet and Sisophon, military officials and aid workers said.

The rebels have burned down more than 150 homes along the stretch of road and police officials said the route had been blown up in eight places over the past week and a half, with some of the attacks only 15 kilometers (nine miles) from Sispohon.

Traffic on the usually busy trading road betwen Cambodia and Thailand was down but the border was still open, the officials said.

In Battambang, some 68 kilometers (42 miles) south of Sispohon and dependent on many supplies coming from Thailand, aid workers said the disruption of the road had caused shortages of certain foodstuffs.

Though reports of an impending rebel attack on Poipet are only rumours, residents in Sisophon do not appear to be taking the threat lightly. Machine-guns have been placed in front of many downtown buildings.

But government officials remain unperturbed.

"The Khmer Rouge, all they do is hit and run," said Thay Sarath, the deputy governor of Banteay Meanchey province in which Sisophon is located. "They will be pushed back soon.

Indonesia

Official Criticizes WTO Antidumping Rule

95SE0140C Jakarta BISNIS INDONESIA
in Indonesian 8 May 95 p 1

[FBIS Translated Text] Jakarta, BISNIS INDONESIA—Bintoro Tjokroamidjojo, special adviser to the president for APEC [Asia Pacific Economic Council] matters, has said that a new rule in the GATT/WTO [General Agreement on Tariffs and Trade/World Trade Organization] concerning "anti-dumping" [preceding word in English] needs to be reconsidered, because it tends to harm the interests of developing countries.

He told BISNIS INDONESIA in Jakarta last week: "Trade facilities provided under the new GATT rule, such as 'anti-dumping' and 'rule of origin' provisions, will have a greater, negative effect on the trade of the developing countries. Therefore, this rule should be reconsidered."

He declared that under the World Trade Organization (WTO) regulation on "safeguards" and "anti-dumping," in general, a given country would be permitted to protect its domestic trade interests. However, in practice, this policy will be used more frequently as an instrument against the developing countries.

He said: "Many developed countries will use 'safeguards' as their chosen weapon to erect new trade barriers to protect their industries. They can easily charge that another country has carried out 'dumping' if their products are non-competitive in the market. Clearly, this situation cannot be permitted to go on."

Bintoro declared that the Indonesian Government should urge other members of the WTO to change provisions of this kind, so that the developing countries—and Indonesia, in particular—will not be harmed by export oriented countries which deliberately use this opportunity to protect their domestic industry.

He said: "We must fight in a number of international trade forums. As in the case of China which is attempting to do this. Chinese officials are stubbornly trying to make China the host for the GATT forum which is considering 'anti-dumping' and the 'rule of origin' provisions."

China is trying to become the host of the next meeting of GATT, which has now given birth to the WTO. This is because China has most often felt that it has been harmed by GATT "anti-dumping" rules. China has not yet succeeded in becoming a member of the WTO, because the U. S. always opposes this.

Indonesian businessmen are also often accused of carrying on "dumping" by the developed countries. Indonesian producers of bicycles, shoes, and "floppy discs" [preceding two words in English], for example, have faced such charges from the European Union. At this time these trade items are still being investigated by the European Commission to prove the charges which have been made.

Bintoro declared that the "anti-dumping" regulation is often used by countries which are members of the European Union. He said: "The kind of 'inward looking' commercial relationships like those in the European Union only serve the interests of their member countries. This matter must be considered in advance by countries outside the European Union."

To strengthen domestic industry so that it can compete during this period of economic globalization, Bintoro said that it is important for Indonesia to have laws on healthy competition.

He concluded: "The time has come to enact 'fair competition' laws in this country. This will prepare our industries to enter the era of economic globalization. The facilities provided by the government should not be used to benefit just the large companies."

East Timor Resistance Reports 'Riot' at Jail

LD2706161695 Lisbon RDP Antena 1 Radio Network in Portuguese 1500 GMT 27 Jun 95

[FBIS Translated Text] A riot is in progress at the Cipinang jail in Indonesia, where the East Timorese resistance leader, Xanana Gusmao, is being held. The riot started this morning with a group of prisoners protesting against conditions in the jail. Ramos Horta, the East Timorese resistance spokesman, told us that Xanana Gusmao is not involved in the riot and is being held under tight security:

[Begin Horta recording] The riot was started by petty crime convicts, drug addicts, and other inmates. It is obvious that the situation is alarming because the East Timorese leader, Xanana Gusmao, and many other political prisoners are being held there.

[Reporter] Is Xanana Gusmao being held in isolation?

[Horta] Yes, he is in isolation. He is in a relatively secure position, but if the riot spreads over the whole jail or if there is a fire or an exchange of shots between the guards and the inmates, then the situation will become more dangerous. [end recording]

Golkar Chairman Denies ABRI 'Back-Up'

BK2706145195 Jakarta KOMPAS in Indonesian 25 Jun 95 p 1

[FBIS Translated Excerpt] Temanggung, KOMPAS — Harmoko, chairman of the Functional Group [Golkar], has denied an allegation by observers that the organization receives the back-up [preceding word in English] from ABRI [Armed Forces of the Republic of Indonesia] and the government is lending support to it.

"Based on its history, Golkar is an independent sociopolitical force," he told thousands of organization cadres in Wonosobo and Temanggung on Saturday, 24 June.

Harmoko said that only retired ABRI officials can be members of Golkar or be active in the organization.

He said what is meant by the A (ABRI) type in Golkar is not ABRI personnel themselves, but the wives and children of serving ABRI personnel and ABRI retirees. Their presence in the Golkar is not as representatives of their organizations such as the Armed Forces Wives Association or the ABRI Ex-Servicemen Association in Golkar. They are individual members because Golkar does not have any organizations affiliated with it.

Likewise, the civil service personnel in Golkar are placed under the B type (Beringin) [banyan tree — Golkar's logo]. They do not represent any departments where they work or any organizations like the Dharma

Wanita [Civil Servants' Wives Association]. They are all individual members of Golkar. "The cadres holding the banyan banner are behind Golkar. They support the organization as an individual and struggle to achieve the people's aspirations through Golkar," he said.

He said since Golkar is an organization that recruits cadres, each cadre has to be active. "And those who join Golkar do so of their own will, not because they are forced to do so or because they have no other choice. Everyone should join the organization of his own free will. This is the type of person that we call a genuine Golkar cadre," he added. There are 35 million registered cadres now. [passage omitted on Golkar's effort to curb corruption]

Do Not Hesitate

Harmoko called on all Golkar members not to hesitate to gather as many votes as possible in the 1997 national general election. "Everywhere in the world there is no sociopolitical force that refuses to gain as many votes as possible. And if the majority of the Indonesian people voted for Golkar, that is the basic and democratic right of the people," he said.

Harmoko reiterated that Golkar must continue to win the highest number of votes in the coming general election because a victory for Golkar means the ability to uphold of the Republic of Indonesia based on the Pancasila state ideology and the 45 Constitution is guaranteed. This in turn will guarantee national stability, continuous dynamic national development, and the national leadership of the new order government. [passage omitted on 1992 general election result]

Strike Forces Closure of Garment Factory

95SE0140E Jakarta BISNIS INDONESIA in Indonesian 8 May 95 p 1

[FBIS Translated Text] Bogor, BISNIS INDONESIA—The management of PT Rajabrana and PT Wisindo Agung in Bogor [West Java] has suspended all business activity after an eight-day strike by the workers.

The official closing down of activity by the two companies was made public on 6 May by an announcement stapled to the wall of the factory. The announcement was signed by Tan Chu Cheng, the manager of the export-quality garment factory. Since 5 May business activity at the factory has been halted, because about 8,000 of the two companies' employees have been on strike.

Directors of PT Rajabrana and PT Wisindo Agung contacted by BISNIS INDONESIA as late as 6 May were not prepared to provide a detailed explanation of the strike at the factory operated by the two companies. A member of the security unit at the factory said: "The question of the strike is now in the hands of the Department of Manpower. The decision to shut down the factory, among other reasons, was to secure company assets because of the strike by the employees."

Discussions between management officials of the two companies and representatives of the workers deadlocked on 5 May over the matter of income tax deductions from workers' pay under Section 21 of the tax law. This set off the strike. Finally, because there was no common ground for further discussions, management officials sounded the factory siren as a sign that all activity by the two companies had come to an end.

As of 7 May the team appointed by the Department of Manpower to help to negotiate an end to the strike was unable to resolve the matter. The same result was encountered by tripartite teams from the provincial government of West Java and the Regency of Bogor. These teams went to the company premises but failed to bring the two sides together.

Nurcahyo, the chairman of the trade union at PT Rajabrana, which is affiliated with SPSI [All Indonesian Workers' Union], reported to the union executive committee, at a meeting held at the office of the DPC [Branch Executive Council] of SPSI for the Regency of Bogor. He said that as of the end of last week the workers were still out on strike. He added: "Business activity by the company has been closed down until there is a further statement from management."

Kartabir, general chairman of the local Branch Executive Council of SPSI, said that his organization regrets the attitude of the company in closing the factory. He said: "If this attitude continues, there will be a full-scale strike at the company, and the two sides will be declared to be in the wrong."

According to Kartabir, the company should not be so emotional in handling this question. He continued: "The company should let the workers enter the plant and should encourage them to end the strike. In any case a full-fledged strike is a mistake."

Meanwhile Chaerul Bey, the general secretary of the Branch Executive Council of SPSI for the Regency of Bogor, said that the work stoppage by the employees of PT Rajabrana and PT Wisindo Agung, which has gone on for eight days, is the longest strike so far in 1995.

He said: "The strike began on 26 April and continued until 29 April. Then, on 29 April the workers were permitted to enter the factory, although only to be paid. On 1 May a number of the workers put in a half day's work."

Philippines

General Criticizes Manila's Spratlys Policy

BK2806101295 Hong Kong AFP in English 0955 GMT 28 Jun 95

[FBIS Transcribed Text] Puerto Princesa, Philippines, June 28 (AFP) — The military commander in charge of Philippine-held areas in the Spratlys Wednesday bitterly criticized Manila for its lack of clear policy on the disputed South China Sea islands.

Air Force Lieutenant General Carlos Tanega, the commander of the military's Western Command, said the armed forces needed a clear government policy on rampant poaching by foreign fishermen, especially those from China which has openly contested ownership of the islands.

"We do not have the backing of clear policies. As a matter of fact, we have a wishy-washy policy," Tanega told reporters.

The Western Command arrested 62 fishermen from China's Hainan island province in March at Half Moon Shoal, one of the rocks claimed by the Philippines in the chain, also claimed in whole or in part by Brunei, Malaysia, Taiwan and Vietnam.

It was not clear what prompted Tanega's outburst but high-ranking government sources said last week that the Philippine cabinet had advised President Fidel Ramos to free the fishermen to bring ties with Beijing back to normal.

Ramos previously rejected Beijing's demands to free the fishermen, saying the Chinese fishermen had destroyed the marine environment with dynamite and cyanide and therefore deserved "worldwide condemnation."

Tension flared in the Spratlys early this year after Manila discovered in February that China has built permanent structures on Philippine-claimed Mischief Reef.

Filipino troops never dared to touch Mischief Reef, which was guarded by at least one Chinese warship but demolished Chinese markers on seven nearby unguarded shoals.

Tanega said repairs were badly needed on the airstrip on Pag-asa island, one of eight garrisoned by Philippine Marines, to enable the military to improve their monitoring of the area.

It can now only accommodate light aircraft and no troop transports or cargo planes. Tanega said 185 million pesos (7.25 million dollars) would be needed to fully rehabilitate the runway.

Military officials suspect that the Chinese moved into Mischief Reef during the southwest monsoons last year, when Philippine navy craft stopped patrolling the area due to bad weather and repairs.

Meanwhile, the provincial police chief in charge of the Spratlys said Wednesday that Manila would further develop Pag-asa island by building a range of new facilities on it.

Senior Superintendent Marcelo Ele, police chief of southwestern Palawan province which includes Philippine-claimed areas in the Spratlys, said power, ice and cannery plants, a cemetery, health center as well as a school would be built there.

Ele also said his command was also planning to assign policemen to the island, and build a road, a water tank and a strorage building.

The unspecified amount of money needed for the development would come from a fund controlled by the president's office, he told reporters here, without saying when the structures would be constructed.

The Philippine Navy chief earlier this month said Manila would build seven lighthouses in the Spratlys to delineate its territorial baselines.

Senate President To Settle Spratlys in PRC

BK2806080795 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 27 Jun 95

[FBIS Translated Text] The government is tapping Senate President Edgardo Angara to resolve the Spratlys dispute. Angara will leave for Beijing, China, next year to discuss with high-ranking Chinese officials ways to peacefully settle the row between the Philippines and China over the Spratlys.

Meanwhile, several senators are alarmed by the United States' show of interest in the Spratlys issue. They hinted that the United States may make some abnormal situation in order for its military bases to be allowed to return to the country.

According to Senator Orlando Mercado, any treaty allowing the return of U.S. military bases to the Philippines will have to pass the senators.

Peace Talks Snagged on Issue of Llamas' Release

Defense Chief Opposes Release

BK2806081795 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 27 Jun 95

[FBIS Translated Text] Defense Secretary Renato De Villa, in an interview with DZBB, said the government should not fear the blackmail of Jose Maria Sison of the CPP-NPA [Communist Party of the Philippines-New People's Army]. Secretary De Villa's statement was in reaction to Jose Maria Sison's earlier pronouncement that the peace talks with the communist movement will not succeed if the government does not free captured rebel Sotero Llamas.

Secretary De Villa stressed that the government has been negotiating with the communist movement for a long time and that there is no reason for the peace talks to fail just because of Sotero Llamas. De Villa clarified that Sotero Llamas cannot be released easily because he is involved in criminal cases.

Meanwhile, Justice Secretary Teofisto Guingona, Jr, is in favor of releasing Sotero Llamas, contradicting Defense Secretary Renato De Villa's earlier announcement opposing Llamas' release.

Secretary Guingona said if it is true that Llamas has an important role for the advancement of the peace talks, it is appropriate that he be allowed to join the talks. However, Guingona left it to the courts to decide on Llamas' release.

In a related development, the Department of Foreign Affairs is ready to issue a passport to Llamas if he is allowed to leave for Brussels to join the peace talks between the government and NDF [National Democratic Front] panels. But, like Secretary Guingona said, the court's decision will still be the basis of whether or not to issue a passport to Llamas.

Rebel Leader Calls for Release

BK2806080295 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0730 GMT 27 Jun 95

[Telephone interview with Luis Jalandoni, spokesman of National Democratic Front, from Brussels, Belgium by DZBB reporter Arnold Clavio and anchorman Rey Pacheco from the Manila studio — italicized passages in English]

[FBIS Translated Text] [Clavio] Mr. Jalandoni, good afternoon from the Philippines.

[Jalandoni] Good afternoon also to all of you out there.

[Clavio] We just want to know about the development of the peace talks between the government panel and the National Democratic Front [NDF], Mr. Jalandoni.

[Jalandoni] Yesterday, we opened the talks and we signed an important *agreement on reciprocal working committees* and we had a *formation on reciprocal working committees on human rights and international humanitarian law.* So, what is important is that the NDF team, we, announced today that in the next sessions, we will await the arrival of Comrade Sotero Llamas, who is the *political consultant* of our panel. This is very important because this is in accordance with the *joint agreement on safety and immunity guarantees* approved by *both principals,* of GRP [Government of the Republic of the Philippines] President Ramos last 25 April and by NDF Chair Mariano Orosa last 12 April. So, this is binding. It is important to show that the agreement, which was signed and approved here in the peace process, be respected and *complied with. Otherwise, other agreements will be put into doubt. And the whole peace process will be put into doubt.*

So, until now, to this day, we are still awaiting the *definitive news* on the release of Sotero Llamas. And we are waiting for Llamas' arrival here so that we can continue with the other sessions in the *formal peace talks.*

[Clavio] Mr. Jalandoni, we would like to get your immediate reaction on a report from Malacanang, from our reporter there, that Defense Secretary Renato De Villa said that this is a form of blackmail on the part of NDF.

[Jalandoni] Secretary De Villa is wrong on that issue because probably he does not know and read the *joint agreement on safety and immunity guarantees* which gives *safety and immunity* to all personnel designated by both sides. And Comrade Llamas is *covered by that.* So, this is not blackmail. If he calls this as blackmail, he is making it appear that it is not honored, not *complied with,* not giving attention to the *joint agreement on safety and immunity guarantees* which was signed by GRP President Ramos himself last 25 April. This was approved by General Manuel Yan of OPAPP, *Office of the Presidential Adviser for the Peace Process.*

So, Secretary De Villa's statement is wrong. It only shows that he is not so interested in the peace negotiations continuing and finding a solution to the *root of armed conflict* which has already lasted 26 years.

[Clavio] You mean to say, Mr. Jalandoni, that Llamas is the key for the peace talks to resume?

[Jalandoni] Actually, we can say that the key now is for both sides — including the principals, GRP President Ramos and NDF chair — who signed and approved the *joint agreement on safety and immunity guarantees* to show that it is *binding and in effect. And both parties* can *comply with* an obligation to *comply with* and honor it. If not, the value on whatever agreement that will be signed by both sides is worthless and the *whole peace process will be put into,* like it will be worthless. [sentence as heard]

So, Llamas' case shows that the NDF respects the agreement and it is now the Government of the Republic of the Philippines' responsibility, the obligation of GRP President Ramos, De Villa, and others to respect this *joint agreement.* And if this is not respected, this is a big sabotage to the *peace negotiation process.*

[Clavio] Okay, I will transfer our communication to our anchorman Rey Pacheco. Rey, this is Luis Jalandoni, direct from Brussels, Belgium.

[Pacheco] Okay, thank you very much Arnold. Good afternoon, Mr. Jalandoni.

[Jalandoni] Good afternoon also, Rey Pacheco.

[Pacheco] I just want to clear things here because earlier, according to Secretary De Villa, Llamas is not included in the list of *safety and immunity guarantees.* What can you say about this?

[Jalandoni] We clearly conveyed to Ambassador Dee [Howard Dee, head of the government panel in peace talks with NDF] last *May 19, two days after* Llamas was arrested, and we advised Ambassador Dee that since 28 April, the NDF National Executive Committee has appointed Comrade Sotero Llamas as political consultant of the NDF negotiating panel and also a member of the *reciprocal working committee for political and constitutional reforms.*

And he is included in the list given to Ambassador Dee. And it is officially in the record of the *GRP panel for peace talks with us.* So, the information given by Secretary De Villa is wrong. Maybe the information he got was wrong and he can immediately check with Ambassador Dee, the chairman of the GRP panel. Dee has the *official communications, official lists* that we gave.

[Pacheco] So, there you go.

[Jalandoni] We gave the list to Ambassador Dee a long time ago.

[Pacheco] So, Secretary De Villa's allegation is untrue?

[Jalandoni] *It was not based on facts. Since May 19* and in the *subsequent communications,* official communications are with Ambassador Dee. And the list is there and the *holders of documents of identification* issued by the *NDF peace panel according to the joint agreement on safety and immunity guarantee.*

[Pacheco] Okay. Another question. In case, for example, Secretary De Villa insists that Llamas should not be released because we all know Llamas remains in military custody, [broadcast interruption] that will occur in the peace talks between the government and the representatives of the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front].

[Jalandoni] NDF has principles. Whatever that joint agreement signed and approved by the principals, including President Ramos of GRP and the NDF chair, that is *binding and in effect.* And the two sides are obligated to *comply with this.* If not, these agreements are *worthless pieces of paper* and these peace talks have no future.

This means that there is no sincerity and there is no political will if they cannot even comply. So, this is now the responsibility of GRP President Ramos and Secretary De Villa, if he keeps on talking, because violating the joint agreement will be an occasion or cause for the cessation of talks. This is their decision and their responsibility to the nation.

[Pacheco] Thank you very much, Mr. Jalandoni.

[Jalandoni] Thank you also.

[Pacheco] Arnold?

[Clavio] Okay, thank you again. Luis Jalandoni, NDF panel spokesman, direct from Brussels, Belgium.

Thailand

Cooperation Urged for Good of Asian Market

BK2706160595 Bangkok THAILAND TIMES in English 27 Jun 95 p B1

[FBIS Transcribed Text] Bangkok — HE [His Excellency] Dr. Suphachai Phanitchaphak, deputy Prime Minister of Thailand, yesterday urged all Asian nations to increase their cooperation in a step to speed up the Asian market becoming one of the most significant markets in the world.

"If the Asian countries can increase their governmental, as well as the private sector's cooperation, they can transform themselves into becoming the economic center of the world," said Dr Suphachai.

Cross listing among (Association of Southeast Asian Nations (ASEAN) countries was also supported by Dr. Suphachai.

His address on the "Asian Capital Market: Innovation and New Products", he stated the reason many Asian emerging stock markets had grown dramatically over the past few years was due to the high saving ratio compared to GDP. This currently stands at around 30-35 percent for many Asian nations, compares to 29 percent in Switzerland.

He added increased cooperation between the private and governmental sectors would help create a proper investment climate and investment opportunity within Asia.

In order to increase the current levels of liberalization, he proposed three steps for Asian nations to follow:

1. Increase their competitiveness as protection markets is no longer acceptable. The competitiveness, he said, consisted of production, trade, technology and education.

2. Increase coordination in order to increase the regional inter-dependence, enabling them to shield economic instability. He urged all Asian countries to increase their participation within the World's economic affairs.

3. Establish closer economic links with other regional economic links with other regional economic zones. He urged for increased co-operation among the Asian nations in the Asia-Pacific Economic Corporation (APEC), which would link Asia-Pacific to the NAFTA [North American Free Trade Area]

Army Official on New Dimension, Role of Military

95SE0133A Bangkok ATHIT in Thai
28 Apr - 4 May 95 pp 26-29

[Interview with Army Deputy Chief of Staff Paeng Malakun na Ayutthaya on 10 April 95 by Piyanat Worasiri and Uaiphon Taechutrakun, place not given]

[FBIS Translated Excerpt] [Passage omitted] The plan of using a system of voluntary military service to replace military conscription is considered to be the "new dimension" of the Thai Armed Forces. One who has spoken clearly of this plan is Lt. Gen. Paeng Malakun na Ayutthaya. He has done so since he was RTA [Royal Thai Army] assistant chief of staff for civilian affairs.

On Monday, 10 April, about a month after getting in touch with him about an interview, ATHIT RAISAPDA had the opportunity to ask Lt. Gen. Paeng Malakun na Ayutthaya, the RTA deputy chief of staff, about the details of this voluntary military system as well as his views on the security situation in the area and the role of the armed forces in domestic politics. People are talking more about these subjects every day. He was asked about these subjects from his position as a high-ranking officer with a very bright future who is headed toward the RTA's top position in the near future. [passage omitted]

[ATHIT] We asked about the budget because from what we have learned from foreign news, U.S. advisers recently recommended that the Cambodian Army be upgraded. The most important goal would be to trim the high-ranking officers by 60 percent. We therefore would like to ask you whether the Thai Armed Forces also feel that we have a great many generals on duty, whether this causes the budget allocation problem, and whether we might need to make reductions in this area so the budget can be used in other areas instead.

[Paeng] It is like this — we must look at the problem very clearly. We can safely say that the RTA has large forces and many high-ranking officers. But in fact it is a government service. When someone has advanced to a certain point, we must give them the opportunity to advance in life. There are many special colonels and generals, but this is not part of the problem of the Armed Forces. The Armed Forces are in the process of reducing the number of high-ranking officers. This is being done and in the future, as the RTA commander in chief always said, we will not place more people in positions which are not needed. Their numbers will decrease automatically without hurting feelings and causing separations. We must maintain the unanimity and solidarity of the Armed Forces. However, the increase of the budget for privates is a figure which we must receive in order to achieve our objective.

[ATHIT] Therefore, if we followed the example of the Cambodian Armed Forces, it would not help, would it?

[Paeng] Cambodia is a country which has experienced a war. This being the case, they will need to reorganize their armed forces. But I do not agree with the recommendations of the Americans or anyone else. They should take care of their own problems. The armed forces and the economic conditions of a country are interconnected. The armed forces are affected by threats outside the country and inside the country. Each country's problems are different. How can America tell Cambodia to do this when it is not a factor. America should improve the American Army, and Cambodia should improve the Cambodian Army. We do not see the need to get involved in what Cambodia has to do. The RTA is not a factor. I believe that this plan of our Armed Forces is a plan which has been improved and is in line with the dangers to the country and with the domestic situation. The economic conditions of the country are basic.

[ATHIT] What about the plans to improve the Armed Forces in the time of General Chawalit Yongchaiyut which were to make the Armed Forces lean and mean? How much have these plans now achieved as far as concrete results?

[Paeng] Many units have now been trimmed to the point where they do not need to be further reduced - only what is necessary is left. New units have not been created except where there is real need. Some positions have not been filled in order to reduce our forces. We have reduced our forces. If I remember the figures correctly, in each period now we have cut back by 12 percent.

This just the beginning. The former RTA commander in chief made these plans, and everything has proceeded accordingly. Now we have concrete results. The number of officers has dropped. For example, we have reduced the number of student officers. The number of students entering the staff school has been reduced. The students training to be noncommissioned officers have been reduced. They have been reduced proportionately. The experiment with volunteers has been conducted. There were some problems, and these problems have been used as lessons to make improvements.

[ATHIT] Is the principle problem the inducements?

[Paeng] The problem of inducements is primary. Everyone wants to work to advance himself. If someone works at a job and does not advance, he does not want it. If he has a job with insufficient wages, he does not want it. What can we do to create the inducements to make Thai men aged 18 to 21 years want to become soldiers. It is not enough that they are sacrificing for the nation, that they are becoming soldiers to sacrifice even their lives and blood for the sovereignty of the nation. It is not enough that they are sacrificing so that others in the country can live in peace while they must go to the border and suffer fatigue and hardship. What must we do to make them sacrifice like this? It is not enough that we create an awareness of these needs. If they are going to sacrifice, they must have a good income, a future which they can see is promising, and, most important, they must be able to give their families stability and comfort.

[ATHIT] A real voluntary military system has been used already, namely, the Thahan Phran Irregulars. Do you think this system has been successful?

[Paeng] I can say with confidence that with the system of the Thahan Phran Irregulars we have been very successful. We will be able to draw on these lessons to advantage, the lessons from the setting up of the Thahan Phran Irregulars. Whether it is the value of their work, the lessons from the volunteering, or the benefits gained, we must consider all the details.

[ATHIT] If the government has a real problem with the budget, for example, if it cannot increase the budget from 4 to 5 billion baht as you said initially, will the project for voluntary armed forces have to be delayed?

[Paeng] That is the responsibility of the government, but if the government says that it will not provide the money, we will not be able to do it. Where could we get the money? Where could the RTA unearth some gold? (laughter) Where could it get the funds? It would not be possible. The RTA is an instrument of the government. It is an instrument which depends on the budget, and it needs a great deal of money. If we think that this will work, then in a year or two and when we reach a clear conclusion and make a recommendation, the government will have to consider supporting us. The government will have to consider supporting the plan, especially since you have come to interview me and we can disseminate this information to the people, which helps them in considering the plan. If the people generally agree with it and the people in the country say okay, then the government will have to provide the money. Right? If the people say that the plan is not good and do not support or agree with it, there is little chance for it.

[ATHIT] If the government asked the Armed Forces to allocate the budget they have now to achieve this plan, would that work?

[Paeng] No way. It would not be possible. What you are saying is that after starting something which will mean progress for the country, the government will say that we should do it with our own money. This is not possible. I believe that we will be given consideration in this matter because the money is not great.

[ATHIT] Will this plan be used just for the RTA or will the other branches use it also?

[Paeng] I do not think it appropriate to apply this just to the RTA. It should be applied to all branches of the Armed Forces. But we would all need to study it together. The RTA is studying it now. We will have to propose this to the Supreme Command Headquarters, which will require all branches to consider it together. It will take time because changing every detail of the law will take time - this does not involve just the Armed Forces but also involves the Ministry of Defense, the government and the National Assembly. This will have to be discussed a great deal before it can be adopted. [passage omitted]

[ATHIT] Do you feel that in this area in the future there will probably be no concern about military postures and no disputes between countries?

[Paeng] I have read studies on what the situation will be in 5 years. There will probably be no serious disputes. There are some studies which look 10 years ahead. But from what I have read, I would go along with the view that for the next 5 years there will be no serious conflicts.

[ATHIT] While various countries in this region have been increasing their military budgets, is there not an opposite line of thought with some countries proposing that this region become a zone of peace?

[Paeng] The increasing of military capabilities is being done for peace. If every country had the same military capabilities, they would not attack each other. But if some country is so much weaker that it provides an opportunity for another country to take advantage, then it will be bullied. It is similar to when two strong men meet - they do not fight. But if one of them is emaciated and also has money in his pocket, he might be bullied. [passage omitted]

[ATHIT] This morning there were some radio reports which mentioned that many people feel now that the situation is beginning to call for the Armed Forces to return to politics again. We would like to ask you as an individual about this. The situation is this, last Sunday the KhPhP committee of [prawet doctors] said that there needed to be political reform. We do not know whether this political development or reform is somehow related to the direction in which the Armed Forces are going or not. By which we mean to ask, if politics is not reformed, what will the direction of the Armed Forces be, or have the Armed Forces separated themselves from politics completely?

[Paeng] You have to divide the Armed Forces into two groups. The first group would include those who, acting as Thai people, take part in politics. They cast votes and express their views as Thai people. We cannot conceal their views or prevent them from expressing their personnal views on politics. But the Armed Forces will definitely not get involved in political bargaining and pressuring. The Armed Forces, under the leadership of the RTA commander in chief, will not now or in the future take on a political role or interfere in politics. But soldiers who are people like me must vote and express themselves as people. The groups must be divided. Therefore, the political reforms along the lines of the [prawet doctors] are fine, but if the situation developes into political oppression, the Armed Forces will not get involved. No soldier will provide a show of force or apply political pressure.

[ATHIT] The [prawet doctors] have proposed that in the near future there will need to be a group of people outside of politics which will take on a political role. This group might be comprised of scholars and people from many circles. Do you think that the Armed Forces will be such a group outside of politics which will play a role or not?

[Paeng] It is better not to get the Armed Forces involved. Have the Armed Forces perform military duties in their area of responsibility defending the peace inside the country, defending the country from outside invasion and defending the borders.

[ATHIT] In a society there must be a final authority. In Thai society the Armed Forces have been viewed as such an authority. If the political system is not reformed and becomes weak and there is disorder, what will the role of the Armed Forces be then?

[Paeng] People are trying to spur and pressure the basic institutions of the country, such as the military, to get involved in something which is not right. This does not help. I say it would not be right. Let us perform our duties very well, then society will do well on its own. If the institution of the Armed Forces gets involved a great deal in matters here and there, then the Armed Forces will lose society's confidence. And when society's confidence is gone, the effectiveness and quality of society's work will drop. If the people say that the Armed Forces are no good, the Armed Forces will not perform effectively. But if the people back them up, see their value, and see that they are beneficial to the nation, would not this be better? Would it not be better if the people see that the Armed Forces support security, the institutions of the country, religion and the king effectively? I believe that every commander is now steadfast and can confirm that nothing will influence his thinking or pressure him into getting involved in something which does not make sense.

Foreign Magazine's Analysis Riles Military

BK2706153695 Bangkok BANGKOK POST in English 27 Jun 95 p 6

[FBIS Transcribed Text] Army Chief Gen Wimon Wongwanit and senior army officers are not happy with an analysis published in a foreign magazine which stated the Thai military may be dissatisfied if the Chat Thai Party becomes the core party in forming the next government after the July 2 election, deputy Army spokesman Lt Col Somkhuan Saengphattharanet said at a press conference yesterday.

The deputy spokesman said such an analysis could damage the Army, whose standpoint was not to interfere in politics.

Regardless of who is in the government, the military is duty- bound to be a mechanism, he announced.

Whoever is the prime minister according to the democratic process including Chat Thai Party leader Banhan Sinlapa-acha, the military will give him due respect.

The deputy spokesman refused to name the magazine responsible, but it is reported to be the FAR EASTERN ECONOMIC REVIEW.

Democrats, Chat Thai Hold 'Key' to Election

OW2506133395 Beijing XINHUA in English 1158 GMT 25 Jun 95

["News Analysis" by Yu Zuncheng, Zhang Qiulai]

[FBIS Transcribed Text] Bangkok, June 35 (XINHUA) - As Thailand's polling day (July 2) draws near, it has become clear that the battle between the Democrat Party and the Chat Thai (Thai National) Party holds the key to the outcome of the election.

The two parties were the largest in the last, 360-seated Lower House.

The Democrat Party, led by Prime Minister Chuan Likphai, was the core of the five-party coalition government. It had 79 seats in the House of Representatives.

The Chat Thai Party, with 77 seats in the Lower House, was the largest opposition party and its leader, Banharn Silpaarcha, was opposition leader.

According to some forecasts, the Democrat Party this time may have a hard time beating its arch rival in gaining the most house seats.

Out of the 391 seats at stake this time nationwide, the forecasts said both Chat Thai and the Democrat Party are expected to win around 100 seats.

The Democrats could win most of their seats in the south, their stronghold.

In the last election, the Democrats won 36 out of 45 seats in the region. In the coming polling, they are likely to win at least 41 out of 51 seats available.

The central region is Chat Thai's stronghold, where it may gain 48-53 seats out of 91 seats. This region is the Democrats' weakest area, where it is likely to win about eight out of the 91 seats.

So far, the Democrat Party has maintained conspicuously low-key campaigning, withholding its electioneering from television, radio and newspapers.

Officials of the Democrat Party have hinted at a "very big surprise" to be launched Wednesday at a major rally led by party leader Chuan Likphai at a city center square in Bangkok.

Voters may resent about the irregularities in land reform which the Democrat Party is held responsible, and Chuan is seen lacking the quality of a national leader for his indecisiveness.

In electioneering, the Democrat Party will publicize its achievement in the coalition government and make use of the 'clean' image of Chuan to win the heart of voters.

The Chat Thai Party, meanwhile, has the backing of many leading companies, hence is influential in business circles.

The party has fielded a strong team of 271 candidates, next only to the Democrats, which has fielded 324 candidates.

The Chat Thai Party suffers an image problem, with two of its leading members having been denied entry visa by the U.S. on suspicion of involvement in international drug trafficking.

The party which wins the most seats will be asked to form a government.

More Firms Seek Insurance Business Licenses

BK2706145495 Bangkok SIAM POST in Thai 26 Jun 95 p 19

[FBIS Translated Text] According to Pracha Trakunchai, director general of the Insurance Department, four more firms have recently applied for insurance company licenses — two for life insurance and another two for nonlife operations. He said he could not identify the companies pending scrutiny by the committee concerned.

Eight companies earlier applied for permits. They included the Charoen Phokphan Group, which sought to set up life and nonlife insurance companies; Alpha Life; and Alpha International Insurance.

Inquiries with officials concerned revealed that many firms showed an interest in obtaining insurance licenses by asking for detailed information attached to the application form in order to completely comply with the required conditions.

Companies which do not comply with the required conditions will not receive approval from Commerce Minister Uthai Phimchaichon.

It has also been revealed that some firms applying for insurance company permits have cited financial stability as grounds for their being merged companies. Others were joint ventures with foreign companies.

For companies which applied independently, the Insurance Department will consider their capital and personnel situation, such as readiness to post 5 percent of the registered capital as a guarantee.

Pracha denied the report that the Commerce Ministry would grant only five new insurance permits, saying the liberalized insurance sector will not limit the number of insurance companies. Application forms will be considered through 7 September, or 90 days after 8 June when the application period began.

The main committee, headed by the Commerce Ministry permanent secretary, will consider the qualifications of the applicants and make recommendations to the commerce minister.

Meanwhile, the Commerce Ministry has asked the cabinet secretary to interpret share holding in newly established insurance firms, and the secretary has in turn submitted the matter to the Finance Ministry for consideration. There is ambiguity which limits the opportunity of businessmen to invest in the insurance sector. Share holders in new insurance companies must not hold shares in already existing insurance firms.

Vietnam

Radio Reviews U.S. Stance on Normalization

BK2806081395 Hanoi Voice of Vietnam in English 1000 GMT 26 Jun 95

[FBIS Transcribed Text] American public opinion has welcomed the remarks by American Senators James [as heard] McCain, Democrat, and John Kerry, Republican, [political parties as heard] that the normalization of relations with Vietnam will benefit the United States. Speaking at a meeting with American war veterans in late last week, the two American senators also held that the establishment of diplomatic relations with Vietnam would open up a U.S. market in Vietnam and help better solve the MIA issue.

A newspaper published in Chicago wrote: We held that President Bill Clinton and the U.S. should listen to Senator James McCain. Another American newspaper in western America held that it's time for the United States to recognize Vietnam. The newspaper said: Despite the fact that all political issues might happen following this event, President Bill Clinton should recognize Vietnam immediately before the end of 1996 president election campaign. This decision, in the long run, would create opportunities for doing business and trade, and at the same time the United States would also create its cultural and educational influence. Moreover, the United States could also encourage a strong economic position in Southeast Asia and a necessary counterpart in the region. For this reason, recognizing Vietnam will benefit both the United States and Asia.

Another newspaper in Alaska remarks that it's time for President Clinton deal with questions relating to Vietnam; namely, to accept the proposal sent by Secretary of State Warren Christopher to President Clinton recommending him to establish normal relations with Vietnam. The newspaper stressed that in fact Vietnam is no longer the U.S. foe, and it will do harm to the United States if it treats Vietnam as its foe.

Increased Investment From ASEAN Examined

BK2806070795 Hanoi Voice of Vietnam in English 1000 GMT 26 Jun 95

[Station commentary]

[FBIS Transcribed Text] ASEAN member countries have been increasing investment in Vietnam. Foreign observers predicted that these countries will become the biggest investors in the country.

This comment is accurate because by now Vietnam has received up to 1,300 projects from 53 countries with the total investment capital of $14 billion, of which 202 projects valued at $2,450 million belong to Indonesia, Malaysia, the Philippines, Singapore, and Thailand, accounting for 16 percent of the total foreign investment in Vietnam. Singapore now has 95 projects, Malaysia 39, Thailand 47, Indonesia 10, and the Philippines 11 projects, mainly in industrial production, construction, tourism, and hotel, making up 76 percent of ASEAN investment in Vietnam. They said that there appeared a booming economic cooperation between Vietnam and ASEAN. This situation resulted from the fine relations between Vietnam and ASEAN member countries after the cold war and from the flexible political tendency in the region.

Vietnam and all six ASEAN countries wish to build Southeast Asia into a zone of peace and prosperity, contributing to stability in Asia-Pacific and the rest of the world. The cooperation will help promote both bilateral and multilateral economic ties within the framework of the organization.

Vietnam is one of the countries which rich in natural resources and abundant work force. It also lies within the area with sea and air routes from the north to the south and from the east to the west. At present, many multinational companies from Asia, America, and Japan have been operating in one or many ASEAN member countries and their branches would become a potential investment sources for Vietnam.

There is enough ground to hope that the regional cooperation will be further developed once Vietnam becomes an official member of ASEAN in July.

Australia

Chirac: Nuclear Test Concerns 'Irrational'

BK2806022695 Melbourne Radio Australia in English 0100 GMT 27 Jun 95

[FBIS Transcribed Text] French President Jacques Chirac is continuing to brush aside criticism of his decision to resume nuclear testing in the South Pacific. European correspondent, Majella Anning reports Mr. Chirac has described Australian concerns as irrational and says he is unimpressed by protests from fellow European Union members at the EU summit in Cannes.

[Begin recording] [Anning] President Chirac's decision to order the resumption of nuclear testing in the Pacific came up twice at the final news conference at the EU summit in Cannes. French president said he had told the Australian Government France was prepared to pay the cost of Australian scientists who wanted to inspect the Mururoa test site after the tests were carried out. Then, he said, the irrational character of Australia's protestations will become clear.

President Chirac also dismissed pressures from other EU leaders, seven of whom had issued statement on the eve of the summit condemning his decision to resume testing. He said their reaction neither surprised him nor impressed. However, pressures from some EU governments led to a reference in the final summit communique to the importance of signing a test ban treaty next year. [end recording]

Australia's Foreign Minister Gareth Evans has strongly rejected President Chirac's claim that Australia is being irrational in its response to nuclear tests in the South Pacific. Michael Rowland reports Mr. Chirac's outburst came as the Australian prime minister, Paul Keating, sought to influence French public opinion through an article in a leading French newspaper, LE MONDE.

[Begin recording] [Rowland] Mr. Keating's article stresses Australia's anger and frustration at France's decision to resume nuclear tests at the South Pacific and voices concern at the possibility of accident. Jacques Chirac says such statements are irrational and he is willing to pay the cost of of Australian scientists who wanted to inspect the test site when the program is completed.

Gareth Evans has told ABC [Australian Broadcasting Corporation] radio the Australian Government was not impressed by President Chirac's response.

[Evans] It is not irrational to worry about the risk of accident with these tests. It is irrational to worry about the long-term dangers of leakage from the test site. [end recording]

International Monitoring of Test Site Demanded

LD2806094895 Melbourne Radio Australia in English 0700 GMT 28 Jun 95

[FBIS Transcribed Text] Australia has called for a comprehensive international scientific assessment of the French nuclear test site at Mururoa Atoll in French Polynesia. The call was made by Prime Minister Paul Keating in response to an offer by French President Jacques Chirac to pay the costs of Australian scientists to inspect Mururoa after nuclear tests are completed. Mr. Keating said any inspection will have to be conducted by an international team. He says Australia will not play games nor take part in a charade.

The foreign minister, Gareth Evans, says Australian scientists would have to be guaranteed full, free, and unrestricted access to the Mururoa site and data. He says the scientists would also have to be able to make more than one visit to have confidence about environmental monitoring. Senator Evans says there are concerns about long-term leakage from Mururoa, whatever the health evidence at present.

Trade Minister Spells Out APEC Objective

BK2706161695 Melbourne Radio Australia in English 0500 GMT 27 Jun 95

[FBIS Transcribed Text] Australia has proposed a dual approach to achieving the free trade commitments reached at last year's summit of the Asia Pacific economic group, APEC [Asia Pacific Economic Cooperation].

Anne Barker reports Australia believes each APEC country should prepare an individual plan for trade liberalization as well as contribute to a collective approach.

[Begin recording] [Barker] Trade Minister Bob McMullan has spelled out Australia's objective for APEC this this year. APEC leaders will meet in Japan in November where they are expected to agree on specific ways to meet their commitment to achieve free trade in the region by 2020. Senator McMullan says Australia supports an approach known as concerted unilateralism where each APEC country will find its own way to reduce trade barriers and submit an individual action plan to all APEC members next year. But Australia also supports a collective approach on issues like customs and deregulation.

Sen. McMullan also stressed Australia's preference for nondiscriminatory agreement unless it is proven a preferential arrangement would bring about better and faster trade liberalization. [end recording]

Evans Challenges Indonesian Envoy on Massacre

*BK2706161495 Hong Kong AFP in English
0727 GMT 27 Jun 95*

[FBIS Transcribed Text] Canberra, June 27 (AFP) — Australian Foreign Minister Gareth Evans on Tuesday said he wanted Indonesia's new ambassador to Australia to explain publicly his remarks that the 1991 Dili massacre in East Timor was "quite proper".

Evans said unless Lieutenant General Herman Mantiri made a strong statement he would receive a great deal of questioning from the Australian media and public during his tenure here.

Mantiri, 55, is to replace former newspaper editor Sabam Siagian as ambassador.

Evans said Monday that the Indonesian nomination had placed Australia in a difficult position, but the Australian goverment had not felt it could refuse to issue credentials to Mantiri.

He said the government took three issues into account when approving the nomination: Mantiri had no personal role in the massacre, he was very well qualified and was Indonesian President Suharto's personal choice.

Evans was questioned about the nomination during a Labor caucus meeting Tuesday.

"He indicated that obviously there would be concerns and that he hoped the new ambassador would see fit to explain his earlier statements," a caucus spokeswoman said.

"(Mantiri's) July 1992 comments were obviously unacceptable to... others in Australia.

"He hoped (Mantiri) would be aware that unless he did make a strong statement he would obviously get a great deal of questioning from the Australian media and the Australian public."

But Evans said Mantiri was "somewhat of a reformer inside the army", and there might have been "other reasons" for his comments.

In 1992, Mantiri, then head of the Bali-based Udayana military command which includes East Timor, said of the Dili incident: "We don't regret anything. What happened was quite proper.

"They (the protesters) were opposing us, demonstrating, even yelling things against the government," he said in an interview.

On November 12, 1991 troops opened fire on 3,500 mourners gathered at Santa Cruz cemetery to mark the death of a youth murdered two weeks earlier. The official death toll was 50 but other estimates range above 200.

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